



2022 ANNUAL REPORT & ACCOUNTS



**NIGERIAN AVIATION
HANDLING COMPANY PLC**

RC: 30954

Member of  **IATA**

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Your Integrated Solutions for **Aviation and Cargo** Handling Services



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NIGERIAN AVIATION HANDLING COMPANY PLC
LAGOS, NIGERIA

CONSOLIDATED AND SEPARATE AUDITED FINANCIAL STATEMENTS
AND
OTHER NATIONAL DISCLOSURES
FOR THE YEAR ENDED 31 DECEMBER 2022

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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CORPORATE INFORMATION

Directors

Chairman (Non-Executive)

Dr. Seinde Oladapo Fadeni

Group Managing Director/CEO

Mr. Indranil Gupta (Indian)

Executive Directors

Dr. Peter Olusola Obabori (Appointed 12th May, 2022)

Prince Saheed Lasisi

Non-Executive Directors

Engr. Mohammed Gambo Umar, mni, FNSE

Mr. Taofeeq Oluwatoyin Salman

Engr. Solagbade Olukayode Alabi

Mr. Tajudeen Moyosola Shobayo

Prof. Enyinna Ugwuchi Okpara

Independent Non- Executive Directors

Mrs. Abimbola Adunola Adebakin

Sir Sunday Nnamdi Nwosu, KSS

Mr. Akinwumi Godson Fanimokun

Company Secretary

Dikko & Mahmoud (Solicitors & Advocates)

No 10 Seguela Street, Wuse 2

F.C.T. Abuja

Registered Office

Nahco Aviance House

Murtala Muhammed International Airport

Ikeja, Lagos

Auditor

Ernst & Young

10th & 13th Floors, UBA House

57 Marina, Lagos.

Bankers

Access Bank Plc

Citibank Nigeria Limited

Ecobank Plc

Fidelity Bank Plc

First Bank of Nigeria Limited

Globus bank Limited

Greenwich Merchant bank Limited

Guaranty Trust Bank Limited

Polaris Bank Limited

Stanbic IBTC Bank Plc

Union Bank Plc

Zenith Bank Plc

Registrars

Cardinal Stone Registrars Limited

358, Herbert Macaulay Way Yaba, Lagos

P. O. Box 9117 Lagos, Nigeria

RC No.

30954

FINANCIAL HIGHLIGHTS

GROUP

COMPANY

	DEC	DEC		DEC	DEC	
	2022	2021	CHANGES	2022	2021	CHANGES
	N'000	N'000	%	N'000	N'000	%
Revenue	16,707,925	10,232,674	63%	16,074,622	9,658,964	66%
Profit / (Loss) before tax	3,842,410	924,855	315%	3,618,614	742,824	387%
Income tax expense	(1,168,667)	(153,240)	(663%)	(1,070,741)	(163,094)	(557%)
Profit/(loss) after tax	2,673,743	771,615	247%	2,547,873	579,730	339%
Non-controlling interest	15,585	28,426	(45%)	-	-	0%
Profit attributable to owners of the company	2,658,158	743,189	258%	2,547,873	579,730	339%
Total equity	9,026,250	7,018,437	29%	8,858,060	6,976,117	27%
Dividend Proposed	2,338,875	665,930				
Basic earnings per share (Kobo)	136kobo	38kobo		131kobo	30kobo	
Diluted earnings per share (Kobo)	136kobo	38kobo		131kobo	30kobo	
Dividend Proposed	N1.20k	41kobo				
Net Assets	463Kobo	432kobo		457kobo	429kobo	
Stock Exchange Quotation as at 31st December	N6.4k	N3.74k				
Number of Shareholders	71,856	71,574				
Number of Staff	1,678	1,550		1,654	1,532	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 42nd Annual General Meeting (AGM) of Nigerian Aviation Handling Company Plc (nahco aviance) ("the Company") will hold virtually via <https://youtube.com/live/RPzETffJsZE?feature=share> on Friday, 26th May, 2023 at 11.00 am to transact the following businesses:

ORDINARY BUSINESS

1. To lay the Audited Financial Statements for the year ended 31st December 2022 together with the Report of the Directors, External Auditors and Audit Committee thereon.
2. To declare a dividend recommended by the Board of Directors of the Company in respect of the financial year ended 31st December 2022.
3. To re-elect the following Directors, who being eligible, offer themselves for re-election:
 - a. Dr Seinde Oladapo Fadeni (Non-Executive Director)
 - b. Mr. Taofeeq Oluwatoyin Salman (Non-Executive Director)
 - c. Prof. Enyinna Okpara (Non-Executive Director)
4. To authorize the Directors to fix the remuneration of the External Auditors for the 2023 financial year.
5. To disclose the remuneration of managers of the Company.
6. To elect members of the Audit Committee.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as ordinary resolutions:

7. To approve the remuneration of the Directors of the Company for the year ending December 31, 2023.
8. That pursuant to Rule 20.8 of The Nigerian Exchange Issuers Rules, that the general mandate given to the Company to procure goods and services and enter into such incidental transactions necessary for its day-to-day operations from its related parties or interested persons on normal commercial terms, be and is hereby renewed.'

Proxy

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a member of the Company. A proxy form is enclosed in the Annual Report. For the instrument of proxy to be valid for the purposes of this meeting, it must be duly completed, duly stamped and must be deposited at the office of the Registrar, CardinalStone Registrars Limited, 358, Herbert Macaulay way, by St. Dominic Catholic Church, Sabo, Yaba, Lagos or by email to registrars@cardinalstone.com, not less than 48 hours before the time fixed for the meeting. The cost of stamping the proxy forms will be borne by the Company.

Virtual Meeting Link

Further to the signing into law of the Business Facilitation (Miscellaneous Provisions) Act, which allows public companies to hold meetings electronically, this AGM would be held virtually. The Virtual Meeting Link for the Annual General Meeting is <https://youtube.com/live/RPzETffJsZE?feature=share>. The Virtual Meeting Link will also be available on the Company's website at www.nahcoaviance.com.

Dividend

If the dividend recommended by the Directors is approved, the dividend will be paid on Friday, 26th May 2023 to shareholders whose names appear in the Register of Members at the close of business on Friday 12th May 2023.

E - Dividend

Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of dividend payment in line with the Securities and Exchange Commission (SEC) directives. Detachable application form for the e-dividend is attached to the Annual Report to enable all shareholders furnish particulars of their bank accounts to the Registrar as soon as possible. The e-dividend form is also available on the website of our Registrar www.cardinalstoneregistrars.com.

Unclaimed Dividend

Shareholders are hereby informed that a number of dividend warrants have been returned to the Registrars as "unclaimed". Any member affected by this notice is advised to contact the company's Registrars, CardinalStone Registrars Limited located at 358, Herbert Macaulay Way, Yaba, Lagos Tel: +23417120090, Fax: +234 (1)7100444, info@cardinalstoneregistrars.com. The list of unclaimed dividends can be accessed via the Company's website: www.nahcoaviance.com or the Registrar's website www.cardinalstone.com

Closure of Register of Members

The Register of Members and Transfer Books of the Company will be closed from Monday 15th May 2023 to Wednesday 17th May 2023 (both dates inclusive) to enable the Registrar to update its records.

Nominations for the Audit Committee

In accordance with section 404(6) of the Companies and Allied Matters Act 2020 any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. The Act provides that members of the Audit Committee must have financial literacy. Therefore, nominations should be accompanied by a copy of the nominee's curriculum vitae confirming the nominee's qualification.

Right to Ask Questions

It is the right of shareholders to ask questions not only at the Annual General Meeting but also in writing prior to the meeting. Such questions should be addressed to the Company Secretary and submitted at the registered office of the Company not later than one week before the Annual General Meeting.

Voting by Interested Persons

In line with the provisions of Rule 20.8(h) Rules Governing Related Party Transaction of Nigerian Exchange Limited, interested persons have undertaken to ensure that their proxies, representatives, or associates shall abstain from voting on resolution 8 above.

Directors' Profile

The profiles of the Directors, including those for re-election, are enclosed in the Annual Report and can be assessed on the Company's website: www.nahcoaviance.com.

Electronic Annual Report

The electronic version of the Annual Report will be available online for viewing and download from the Company's website: www.nahcoaviance.com. Shareholders who have provided their email addresses to the Registrar will receive the electronic version of the Annual Report via email. Furthermore, shareholders who are interested in receiving the electronic version of the Annual Report should request for it via email to registrars@cardinalstone.com.

BY ORDER OF THE BOARD

Dated this 27th March, 2023.



Bello A. Abdullahi

FRC/2013/NBA/00000002301

FRC/2015/NFPO/00000000041

Dikko & Mahmoud Solicitors

COMPANY SECRETARY

Nahco aviance House,

Murtala Mohammed International Airport, Ikeja – Lagos, Nigeria



NAHCO...Service Excellence

PROFILE

The Nigerian Aviation Handling Company Plc (nahco aviance), is a major player in the ground handling service sector of the nation's air transport industry, with presence in all the major Nigerian airports.

Founded in December 1979, as Nigerian Aviation Handling Company Limited by the Federal Government, through the Federal Airports Authority of Nigeria (FAAN), Air France, British Airways, Sabena and Lufthansa, it has however become a publicly quoted company through privatization, and thus renamed Nigerian Aviation Handling Company Plc.

NAHCO Plc has since grown into a multi-billion Naira company with diversified investments in energy, logistic and development of a Free Trade Zone Company and currently has three institutional investors holding more than 5% of the total shares of the company as of February 2022. These major investors are Godsmart Nigeria Limited – 26.95%; Awhua Resources Limited – 7.13% and White Cowries Industries Limited – 9.17%.

CERTIFICATIONS

Our ground breaking and leadership position in the nation aviation ground handling business has been unparalleled as the Company has continually shown the way in this critical service sector through its many first achievements, such as:

- First Nigerian ground handling company to enter a strategic global alliance through its membership of aviance, an alliance of 10 reputable airport service providers operating from 112 airport in 17 countries;
- The first ground handling company in West Africa to join The International Air Cargo Association (TIACA) for the operation of air cargo industry and world trade;
- The first ground handling company in West Africa to receive ISAGO certification, the aviation industry's highest safety honours, that is the IATA safety Audit for Ground Operations;
- The first ground handling company in Nigeria and indeed the whole of West Africa to attain the EU Regulated Agent Third Country (RA3) certification; and
- A two-time winner of the prestigious Nigerian Stock Exchange (NSE) Presidential Merit Award for the Aviation Sector. The very rigorous processes leading to these various certifications and re-certifications of the Company business have set it up as the benchmark for local aviation service quality.

AWARDS

Our long list of awards includes, but not limited to: NIGAV Awards, 2021, 2019, and 2018 for Best Airport Ground Handling Company; the Most Resilient Aviation Company, 2021 Air Transport Award; African Corporate Leadership Excellence Prize, 2018; and the International Trophy for Quality, 2018 awarded by Global Trade Club, Madrid, Spain.

Other awards are the Most Innovative Ground Handling Company of the year, 2018 by Association of Foreign Airlines Representatives in Nigeria (AFARN), the Aviation Handling Company of the Year, 2017, awarded by Nigeria Transport Awards; The Best Air Cargo Handling Company, 2017 awarded by Sub-Saharan Enterprise, the Global Risk Award 2016 in UK where we won the Excellence in the Face of Adversity Award.

SUBSIDIARIES

Our business growth strategy led to the establishment of three subsidiary businesses:

1. NAHCO Free Trade Zone Limited (NFZ), with a license issued by the Federal Government of Nigeria to drive the free trade zone initiative of the government at the airports. NFZ is the first airport-based free trade zone in the country;
2. Mainland Cargo Options Limited (MCO), a subsidiary company established towards meeting the objective of harnessing the opportunities of the Air, Land & Sea logistics; and
3. Nahco Energy Power and Infrastructure Limited (EPI), established to tap into the opportunities in the power sector.

DIVIDEND PAYMENTS

The Company which is the first publicly-listed ground handling company on the floor of the Nigeria Stock Exchange has a history of regular dividend payments to its valued shareholders.

NAHCO PEOPLE

NAHCO Plc has more than 1,900 staff in its employment. Our staff members are well trained to provide excellent services to our numerous clients in aircraft and cargo handling, passenger services and indeed, in all services provided by the company within the aviation industry.

Our Board is made up of high-profile Nigerians that have distinguished themselves and made positive marks in their various fields of endeavors. These distinguished Nigerians are led by Dr. Seinde Oladapo Fadeni, (Chairman); Engr. Mohammed Gambo Umar, (Vice Chairman); Mr. Indranil Gupta (GMD/CEO), Prince. Saheed Lasisi (Executive Director) and Dr. Olusola Peter Obabori (Executive Director). Others are Mr. Akinwumi Godson Fanimokun, Sir Sunday Nwosu, Mr. Taofeek Oluwatoyin Salman and Mr. Tajudeen Moyosola Shobayo. Also on the Board are Engr. Solagbade Olukayode Alabi, Mrs. Abimbola Adunola Adebakin and Prof Enyinna Ugwuchi Okpara.



CHAIRMAN'S STATEMENT

Dr. Seinde Oladapo Fadeni

Group Chairman

Dear Shareholders,

It is my pleasure to welcome you to the 42nd Annual General Meeting of our Company, NAHCO. As the Chairman of the Board of Directors, I would like to express my sincere appreciation to you for your continued support, your faith in the board and your confidence in our Company.

//
Despite the challenging operating environment, our Company has remained focused on delivering quality service to our customers and stakeholders.

We have made significant investment in facilities upgrade, especially Ground Support Equipment (GSE); a continuous exercise to enhance our capabilities.
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I am pleased to report that the Company has made significant progress in the ground handling sub-sector and the aviation ecosystem in the outgone year. Despite the challenging operating environment, our Company has remained focused on delivering quality service to our customers and stakeholders. We have made significant investment in facilities upgrade, especially Ground Support Equipment (GSE); a continuous exercise to enhance our capabilities.

Our Company also maintained a strong financial performance, with revenue growth and increased profitability in the past year. Our commitment to operational efficiency, cost control and customer satisfaction has enabled us achieve this performance, and we will continue to strive for excellence in these areas. We are proud of our achievements, but we recognise that there is still work to be done.

Despite a very challenging operating environment, we have prioritized the welfare of our employees and continued to invest in the development of our people and welfare of our staff.

Global Aviation Industry

According to IATA, airlines transport over 65.6 million cargo tonnes of goods in a year. This represents more than 35% of global trade by value although it is less than 1% of world trade by volume. Even so, the volume is equivalent to \$6.8 trillion worth of goods annually, or \$18.6 billion worth of goods every day.

The industry supports 68 million jobs globally. Aviation business is conducted in 3,200 airports worldwide and, alongside tourism, is the mainstay of the economy of a number of countries.

IATA has also projected that the world freighter fleet will grow by 70% in the next 20 years from 1,770 to 3,010 airplanes. What this means is that quite a lot will happen in the industry in the short, medium and long terms. The Company has perfected plans to take advantage of a future world of cargo. As a start, we have invested massively in cargo infrastructure. These strategic investments will yield bountifully in a few years.

We are also in full agreement with IATA's position when it stated recently that "Passenger and air cargo traffic are close to pre-pandemic levels. Efficient ground operations are essential to meet the scaling-up of demand. Unfortunately, the ground handling sector continues to face operational, recruitment and retention challenges following the greatest aviation downturn in history." Our sub-sector of the aviation industry is quite demanding.

Cautious, Bright Optimism

There is new optimism in the country rising out of the ashes of the acute demonetisation of the economy, also known as Naira redesign; and the crippling fuel scarcity which had significant negative impact on the informal sector of the economy. A new regime always brings with it renewed hope. NAHCO shares in this hope as also expressed by majority of local and international businesses. We are poised to take advantage of business – enhancing policies of the in-coming administration.

The incoming government's commitment to stem the tide of insecurity will lead, expectedly, to increased agricultural yields as more people return to the farmlands. This will result in reduction of unemployment among the populace. The rise in harvest would affect, positively, the ability of Nigerians to export raw food items through the NAHCO export warehouse.

Government, the Enabler

For the Nigerian aviation sector to perform a greater role in national development, the sector requires government's support in the area of sourcing forex for critical GSEs. Also, government should speedily resolve the issue of unremitted airlines funds. It is just fair that monies legitimately earned should be released to the operators who earn such funds. NAHCO stands with the airlines and calls on the Federal Government and the Central Bank of Nigeria to release these funds. This would give the government more credibility as well as increase foreign investors' confidence in our nation.

Our Results

The turnover of the Group rose by 63.3% from N10.233 billion in 2021 to N16.708 billion in 2022. Gross profit more than doubled by 125.81% from N3.344 billion the previous year to N7.551 billion in 2022. Operating profit also rose by 274.2% from N1.053 billion to N3.940 billion.

Profit Before Tax jumped by 315.41% to N3.842 billion in 2022 as against N924.86 million in 2021. Net profit increased by 246.54% per cent from N771.62 million to N2.674 billion. These results had already been declared at the Nigerian Exchange (NGX) and published in the Exchange's portal.

Based on this strong performance, the Board has recommended an increase in dividend payout from N665.93 million paid in 2021 business year to N2.339 billion for the 2022 business year. This is an increase of 251%.

We have therefore proposed to you, our shareholders, dividend payment of the sum of N1.20 per share for the 2022 business year.

Appreciation

Finally, I would like to thank the Board of Directors, Management Team, and employees of the Company for their hardwork and commitment to our Company's success. We also thank our shareholders and our loyal clients for their continued support.

Together, we will continue to work towards building a bigger NAHCO and delivering higher value to shareholders.

God bless the NAHCO. Thank you.



Dr. Seinde Fadeni
Chairman, Board of Directors



GMD/CEO's Statement

Indranil Gupta

Group Managing Director/CEO

Esteemed Shareholders, I am delighted to welcome you to the 42nd Annual General Meeting of the Nigerian Aviation Handling Company PLC. As the GMD/CEO of this great company, I am indeed delighted to be here today to present to you our performance report for the 2022 financial year.

First, let me say that 2022 was a challenging year for the aviation industry, and particularly for companies like ours that provide ground handling services having just recovered from the impact of the Covid-19 pandemic on the world. We witnessed the re-introduction of travel restrictions in China, our major import market, due to resurgence of Covid-19 in that country. We also experienced global aviation crisis with some major airlines downsizing, staff embarking on strike, flight frequency reduction and complete discontinuance of service due to drop in revenue and rising cost of operations. Airlines operating in the country experienced a steep rise in cost of aviation fuel, high exchange rate, paucity of FX for airline ticket remittances and the general economic downturn. Some of these challenges continue to exist as we cross over to the year 2023.

However, in spite of all these, the industry showed resilience and has continued to grow as demonstrated in the increase in volume of domestic and international air travels, with the full lifting of travel restrictions, opening of country borders and the return of more airlines to the sky in many countries.

On the domestic scene, more Nigerians opted to travel by air due to rising insecurity experienced by travellers using alternative means of transportation i.e. road transport and the rail. Additionally, we saw the expansion of some airlines' routes, providing greater connectivity for Nigerians across the country. Nearly all airlines resumed operations into Nigeria with frequencies returning to pre - covid - 19 levels and new destinations. We also saw the rise in international passenger numbers driven by migration out of Nigeria by people in search of greener pastures.

The government continued with its investment in the industry. Newly constructed airport terminals were opened across the country in focused efforts to increase positive customer experience. These investments have helped to improve the overall infrastructure of the industry, leading to greater efficiency.

Our Performance

I am pleased to report that our Company, just like the industry, remained resilient, performing admirably and achieving some significant milestones thereby delivering value to you, our esteemed shareholders. Our group revenue for the year 2022 was N16.7 billion, a 63% increase from the previous year's figure of N10.2 billion. This was due to a combination of factors, including the increase in aircraft handling rates, onboarding of new routes by some loyal clients such as Qatar Airways expansion into Kano and Abuja routes; and Ethiopia Airlines addition of Enugu route to its destinations. Air Peace's commencement of Port Harcourt - Cameroon route; the expansion of our excellent services, improved efficiency in our operations and increased reliance of our clients on our ability to deliver all contributed to the positive results.

Our profit before tax is N3.8 billion, a 310% increase from the previous year's figure of N925 million. These were made possible mainly due to various cost optimisation measures we implemented, which included renegotiating contracts with our customer airline based on the new safety threshold and improving our operational and procurement processes. We also invested in new equipment and technologies that improved our efficiency, reduced downtime, and lowered our operating costs.

Another significant milestone we achieved in 2022 was our recertification as an International Air Transport Association (IATA) Safety Audit for Ground Operations (ISAGO) compliant company for Lagos, Kano and Abuja. This certification is a testament to our commitment to safety and our adherence to highest industry standards. It also positions us to better serve our clients, particularly international airlines, who require their ground handling service providers to be ISAGO - certified.

Future Outlook

As we look ahead to the future, we remain committed to providing our clients with the highest quality ground handling and aviation support services. We eagerly await the policy direction of the incoming government as it may affect our well laid out plans for 2023.

We will also continue to prioritise sustainability and social responsibility in our operations. We understand that our business has a significant impact on the environment and the communities where we operate, and we are committed to reducing this impact as much as possible.

We Value Your Support

In conclusion, I would like to thank our employees, clients, and stakeholders for their support and commitment to our Company's success. The 2022 financial year was a challenging one, but it was also a year in which we demonstrated our resilience, innovation, and commitment to excellence. I am confident that with the continued dedication and hard work of our team, we will achieve even greater success in the years to come.

Thank you.



Indranil Gupta
GMD/CEO



DIRECTORS' PROFILE

Dr. Seinde Oladapo Fadeni
Chairman

Dr Seinde Oladapo Fadeni is an astute businessman with experience spanning three decades with interests in strategic sectors of the economy including oil & gas, real estate, hospitality, maritime and real sectors.

Dr. Fadeni chairs the Board of Directors of NAHCO Plc. He is also the founder and serving Managing Director/Chief Executive Officer of GMT Energy Resources Limited, a private indigenous multi-billion-naira company incorporated in Nigeria with offices in Lagos and Port-Harcourt with an overriding national and global outlook.

He sits on the boards of a number of companies, including GMT Energy Resources (a marine logistics company), MCI FZE Yard Development Limited (a joint venture between MCI FZE and Samsung Heavy Industries Nigeria where Total Upstream Nigeria Limited and her partners integrated their EGINA FPSO's 6 topside modules); Badagry Ship-repair Maintenance Engineering Consortium (BSMEC), Godsmart Limited (a company with investment interests in strategic sectors of the economy, including Aviation and Real Estate), Elect & Chosen Limited (a reputable interior design and furniture supply company) and Sanctum Hospitalities Nigeria Limited.

Known for his incredible skill in perceiving business needs and creating solutions to address the needs. Dr. Fadeni has a network of high-value contacts in international and domestic business communities.

Dr. Fadeni started his educational journey in Mayflower Primary and Secondary School, Ikenne. He had his higher education at the University of Lagos where he bagged a Bachelor of Science Degree in Biology. He also has an Honorary Doctorate Degree in Entrepreneurship from Joseph Ayo Babalola University. He has attended various courses all over the world, including the Owners/President Management (OPM) Program organized by Harvard University, Leading from the Chair at INSEAD and High-Performance Board at IMD. He is also an Associate Member of the Nigeria Institute of Management (AMNIM), Nigerian Institute of Credit Management and Port Harcourt Chamber of Commerce and Industry. He has received several awards from professional and business bodies in recognition of his contributions to nation-building.

The Chairman is God-fearing, loving, and caring family man with strong commitment and devotion to philanthropic activities, the flagship of which is The Chris Alice Foundation that gives scholarship and other forms of support to students who scored up to 3.5CGPA and above, widows, senior citizens, and orphans.



Engr. Mohammed Gambo Umar, mni, FNSE
Vice Chairman

Engr. Mohammed Gambo Umar, mni, FNSE is the Vice Chairman of the Nigerian Aviation Handling Company Plc Board of Directors. He has had a long career spanning many sectors of the Nigerian economy for over three decades.

Engr. Umar holds a master's degree in Finance and Banking from Morgan State University, Baltimore, Maryland, USA as well as a Bachelor of Science degree in Industrial Engineering from Kansas State University, Manhattan, Kansas, USA. During his career, he attended many executive development programmes, in among others, Lagos Business School, Stanford University, California, USA, National University of Singapore and University of Witwatersrand, South Africa.

He has a vast and varied boardroom experience, having served on the boards/governing councils of twenty-four companies and organizations, eight of them as the Chairman.

Engr. Umar is a Fellow of the Nigerian Society of Engineers (NSE), Member, National Institute for Policy, and Strategic Studies (NIPSS), mni; Member, Council for the Regulation of Engineering in Nigeria (COREN), Member, Institute of Directors (IoD), Fellow, Nigerian Institute of Management (NIM) and Fellow, Institute of Management Consultants (IMC), amongst others.

He has also held various leadership roles as National President of the NIPSS Alumni Association, (AANI), Chairman, Bauchi State Privatization Committee, and Monitor-General, Senior Executive Course (SEC) 23, NIPSS, Kuru, 2001, amongst others.

He is a recipient of many awards some of which are National Hero of Democracy Award (2017); NIPSS Director General's "Outstanding Leadership Qualities" award for Senior Executive Course (2001) and Development in Nigeria Merit Award (DINMA) (2003).



Indranil Gupta

Group Managing Director/CEO

Indranil Gupta has about 26 years' experience in managing various aviation businesses in India, the Middle East, Southeast Asia, and Africa.

He is a former Managing Director of GSEZ-Airports, Vice President-Airport Operations & Project Delivery at GVK Airports 360 Indonesia, and Director-General – AEROPORT De Libreville, Gabon.

He also worked at Delhi/Mumbai/Kolkata/Bangalore International Airports as Airport Manager & Senior Airport Manager and subsequently at Bangalore International Airport as General Manager - Head of Operations.

Indranil holds a BSc and an MBA degree (Marketing & Foreign Trade). He joined NAHCO Plc as GMD/CEO in December 2021.



Dr. Olusola Peter Obabori

Group Executive Director, Business & Corporate Services (Appointed May 2022)

Dr. Olusola Peter Obabori, holds a Bachelor of Science degree in Accounting, a Master of Business Administration (MBA), a Master of Philosophy (MPhil) and a doctorate degree in Business Administration, all from the prestigious Obafemi Awolowo University, Ile-Ife, Nigeria.

He is an alumnus of numerous advanced management and leadership programmes from world-class institutions, including -The School of Business Leadership of the University of South Africa, McGill Executive Institute, Canada; Lagos Business School, Nigeria; Harvard Business School, USA; Haas Business School of the University of California, Berkeley, USA; The University of Westminster, United Kingdom and FedEx Purple Academy, Belgium where he excelled as the Purple Star Award Winner in 2006.

Obabori is also a Member of the Institute of Directors (IOD) of Nigeria; Fellow of the National Institute of Marketing of Nigeria (Chartered); Fellow of the Institute of Business Development, and Fellow of the Institute of Logistics and Supply Chain Management.

He sits on the Councils of the Nigerian American Chamber of Commerce, the Nigerian-British Chamber of Commerce and some not-for-profit organizations.

Before joining NAHCO Plc in May 2022, as the Group Executive Director Business & Corporate Services, Obabori had served as the Group Managing Director/CEO of Red Star Express Plc.



Prince Saheed Lasisi

Group Executive Director, Business Development and Commercial

Prince Saheed Lasisi is an alumnus of the prestigious University of Lagos, where he graduated with second class honor, (upper division) in accounting and obtained his Master of Science Degree also in accounting from the same Institution. He is a Fellow of the Institute Chartered Accountants of Nigeria. His over 19 years of work experience spans a broad spectrum of the Nigerian economy. He was the Group General Manager; Business Development & Strategic Planning in SIFAX GROUP (a

Multinational company into Maritime, Aviation Ground Handling, Haulage & Logistics, Oil & Gas, Marine Services, Hospitality and Bonded Terminals Cargo Services). He has been in investment banking, internal and external audit, management consultancy insurance, corporate finance, supply chain management, capital market and private equity, aviation and maritime.

He had worked in Perpetual Assurance Company Ltd (now part of Standard Alliance Insurance Plc) as Financial Controller, Truebond Investments and Capital Limited as Group Head, Internal Control. He served as a director in various quoted and unquoted companies among which are Nigerian Wire and Cable Plc, Guardian Health Care Ltd, Truebond Capital and Asset Management Ltd, Truebond Microfinance Bank Limited, Western Properties and Leisure Ltd, Golden Tophedge Investments Ltd among others.

He was a member of The Transition Management Team of Skyway Aviation Handling Company Limited (SAHCOL) in charge of Finance, Internal Audit, Admin & Procurement when the Federal Government of Nigeria handed off SAHCOL to the new investor, SIFAX GROUP in December 2009.

He is actively involved in various educational and training programmes and has facilitated many seminars and trainings both in Nigeria and Europe, the latest of which is Bank Risk Analysis for Regulators in the United Kingdom and Nigeria.



Mr. Olumuyiwa Augustus Olumekun

Group Executive Director, Business & Corporate Services (Retired February 2022)

Olumuyiwa Olumekun is a graduate of the University of Ibadan and alumnus of the Lagos Business School having attended the Chief Executive Programme and the Advanced Management Programme at different times. He also attended IESE Business School in Spain and Harvard.

He is a member of the Institute of Directors (IoD) Olumekun was Executive Director at Red Star Express, one of the frontline courier firms in Nigeria. At Red Star, he provided support for the CEO as well as directed Sales, Marketing, Operations, Strategy, Business Development, Customer Service, and Information Technology at different times.

He also served as the Acting Managing Director and was a member of the Board of Directors for 10 years. He also managed clients which included banks, FMCGs, oil and gas, aviation, logistics and public sector in his illustrious career. He has, for about 3 decades, mentored, coached, and advised executives and managers as they focused on business building and career development.



Mr Akinwumi Godson Fanimokun

Independent Non-Executive Director

Mr. Akinwumi Godson Fanimokun has a distinguished career and wealth of experience, spanning over 35 years in effecting and implementing change, driving strategic positioning, and demonstrating diverse competencies across systems and subsidiary leadership.

Mr. Fanimokun served with First Bank of Nigeria Limited from 1980 – 2015, where he headed various units amongst which are the Manager – Banking, First Bank of Nigeria, UK, Project Manager - New Banking Application (Finacle 7) and Group Head - Public Sector, Abuja till 2008.

In 2009, Mr. Fanimokun served as Managing Director and Chief Executive Officer (CEO) of First Pension Custodian. In 2013 he was appointed Group Executive Technology and Services of First Bank of Nigeria Limited. A position he held until his retirement in 2015.

Mr. Fanimokun holds a BSc Economics from the University of Ife (now Obafemi Awolowo University), Ile-Ife, 1979, and a master's degree in Business Administration (MBA), from Henley Management College, Henley-on-Thames, United Kingdom.

In his quest for demonstrating diverse competencies across systems, he has attended several distinguished professional trainings at Harvard Business School in 2007 and 2009, Chicago Booth Business School in 2008, London Business School (UK) in 2010, Fund Forum International Conference in 2011 and 2012 and Global Custody Forum in 2010 and 2012. More recently in 2019, he also attended the Institute of Directors' International Masterclass on Corporate Governance and Values-Based Leadership in London, UK.

He was an Executive Committee member of the Chartered Institute of Bankers Nigeria (Lagos Branch) from 2008 to 2011 and Chairman Bankers' Night Committee from 2009 to 2011.

Mr. Fanimokun is a Fellow of the Chartered Institute of Bankers Nigeria and he is happily married to Abiola Fanimokun with children.



Sir Sunday Nnamdi Nwosu

Independent Non-Executive Director

SIR SUNDAY NNAMDI NWOSU, KSS, GCOA, FloD, is the Founder and the first National Coordinator of the Independent Shareholders Association of Nigeria (ISAN), a Shareholders' association with branches all over Nigeria and beyond. He is now the Coordinator Emeritus.

A consummate boardroom guru and Capital Market expert, Sir Nwosu has a special bias for accounting and financial reporting with over 50 years hands on experience in the Capital Market activities and Corporate Governance matters.

He is a Fellow of The Institute of Directors and a member of the Securities and Exchange Commission's Rule/Legislation Committee. He has served in several public and private institutions in areas relating to auditing, accounting, and good corporate governance. He is a prominent name among the heavyweight shareholders in Nigeria, having been a Capital Market enthusiast and activist for more than 50 years. The Association he formed, (ISAN) was formally inaugurated in 1998 as one of his many efforts at ensuring that publicly quoted and/or listed companies play according to the rules.

He has attended several and various local and international courses on Capital Market, Corporate Governance Matters and Finance/Auditing, including the Euromoney UK - Course on Effective Risk Management Oversight for Board Members and Executives. Sir Nwosu is also an alumnus of The Harvard Business School. With several years of private work experience, he is a major player in the Nigerian Capital Market. Sir Nwosu presently sits on the Board of many companies and Committees including as the Chairman of RT Briscoe Plc, Member – Board of Directors of MRS Oil Nigeria Plc, Kajola Integrated Investments Plc, Nigerian Aviation Handling Company Plc (nahco aviance), Capital Market Development Company Limited (a subsidiary of NGX), Chairman of Obuchi Limited and Sunnaco Nigeria Limited. He is also on-Board Committees and Statutory Audit Committees of several quoted and unquoted companies in Nigeria including Julius Berger Nigeria Plc, Friesland Campina Wamco Plc, Seplat Energy Plc, and FirstTrust Mortgage Bank Plc.

He was also a member, Securities and Exchange Commission's Rules/Legislation Committee and member, Federal Government of Nigeria Commission on Vision 2020. He is a very charitable individual by nature. He is the National President of The Boys' Brigade, Nigeria, and a recipient of awards too many to mention for his philanthropic works. These include The Boys' Brigade, Nigeria Award for Meritorious Services and Merit Award, Nigerian Red Cross Society, Lagos. He was honoured with one of the highest Orders in Catholic Church by the Pope as the Knight of St. Sylvester the Great.

Sir Nwosu is married with children and grandchildren.



Mrs Abimbola Adunola Adebakin

Independent Non-Executive Director

Mrs. Abimbola Adunola Adebakin has over 30 years of professional experience spanning Stockbroking, Banking, Management Consulting and Training. She is a versatile trainer and proficient management consultant who has led consulting teams across a broad spectrum of assignments including strategy development, human resources management, organizational development, and change management. She has developed and

delivered many training topics covering strategic management, management and leadership development, corporate governance, entrepreneurship, and workplace productivity.

She is a certified IFC trainer on Corporate Governance and Entrepreneurship and certified by Central Bank of Nigeria (CBN) to train microfinance bank operators. She left as head of FITC Consulting to set up EPS Performance Improvement Limited, a firm focused on partnering with businesses and individuals to improve their performance. She also manages a business incubation centre where she offers business coaching and advisory services to start-ups and small businesses.

Adebakin graduated from the University of Benin with a Second Class Upper in Biochemistry. She has a master's degree from the University of Ibadan and MBA from the University of Lagos. She is a member of the Learning and Development Network in Nigeria where she serves as the national Treasurer and a member of the Association for Talent Development (ATD) in USA. She is passionate about working with teenagers and young people to guide them in attaining their potentials. She also serves on the Board of Solid Foundation Ministry an NGO committed to working with teenagers and youths.



Mr. Taofeeq Oluwatoyin Salman

Non-Executive Director

Mr. Taofeeq Oluwatoyin Salman is the Managing Partner of Canary Legal ("the Firm") a corporate and commercial law firm. He also leads the firm's corporate governance, company secretarial and legal advisory practice group. He advises clients locally and internationally on Foreign Investment, Project Finance, and Public-Private Partnerships (PPP).

He obtained an LLB (Hons) from the University of Ilorin, Nigeria, Barrister at Law from the Nigerian Law School and LLM from the University of East Anglia, Norwich, England (UK). He is a member of the Nigerian Bar Association, International Bar Association, Chartered Institute of Arbitrators (UK) and Institute of Directors (MIoD).

He has worked as a litigator in one of Nigeria's leading litigation firms. He served as the Head of Legal and Compliance Department and subsequently rose to become the Managing Director of Rosehill Group Limited (a diversified investment Holding Company with interests in Infrastructure, Aviation, Real Estate, Hospitality and Construction). He is also a Non-Executive Director on the Board of Asokoro Island Holding Limited, Deluxe Luxury Suites in Kaduna, and Barlow and Barrow International Limited.



Engr Solagbade Alabi

Non-Executive Director

Engr. Solagbade Alabi holds a Bachelor of Science degree in Mechanical Engineering from the University of Lagos and is a Fellow of the Nigerian Society of Engineers. He has attended various professional courses in Business Transformation, Effective Management/Leadership, Petroleum Economics, Project Controls and Management Project Financing amongst others; at various institutes, including Wharton, INSEAD and Harvard.

He has made a lot of impact in public and private sectors (oil & gas) and education at management and board levels. He was at various times, the MD/CEO of Port Harcourt Refinery Co. Ltd (2007) and Group General Manager, NNPC, (2009). He is presently the Chairman of Batel Litwin Global Services Ltd and XPLOIL Nigeria Limited and a Non – Executive Director at AIMADEN Nigeria Limited. He is married with children and enjoys reading and listening to music.



Mr Tajudeen Shobayo

Non-Executive Director

Mr. Tajudeen Shobayo is an alumnus of University of Liverpool, UK, and a Fellow of the Institute of Chartered Accountant of Nigeria (ICAN). During his illustrious career, he has attended several professional courses in Nigeria, Netherlands, UK and United States in Economics and Valuation, Opportunity/Project Management, Contract Management, Capital Budgeting, Fraud and Risk Management and Strategic Cost Leadership.

He had also had training in Advanced Negotiations, Risk and Decision Analysis, Deal Implementation, relationship Management, Non-Operated Ventures Management and Health/Safety/Environment and Leadership. He is a result-driven, efficiency-conscious finance-cum-commercial professional with extensive experience in corporate finance, decision analysis, strategy and planning, opportunity identification and maturation, negotiation, and stakeholder management with demonstrated capacity to add value towards corporate objectives.

His 38 years of work experience spans public and private sectors in oil & gas, education, real estate, and agriculture at management and board levels. He is married with children. His hobbies are reading and football.



Professor Enyinna Okpara

Non-Executive Director

Enyinna Okpara is a Professor of Accounting and Finance and an Associate of the Institute of Chartered Accountants of Nigeria (ICAN). He has the following academic qualifications: PhD (Accounting), M.Sc. (Accounting), MBA (Finance), B.Sc. (Accounting), PGD (Financial Management), HND (Accounting) and NCE (Business Education). Professor Okpara is currently the

Dean of College of Social and Management Sciences, Wellspring University, Benin City. He had previously worked as Accounts/Logistics Manager in Dangote Group.

He is an experienced auditor and tax consultant having worked with Akintola Williams Delliotte. Professor Okpara served in the Nigerian Army as a commissioned officer rising to the rank of Captain before he voluntarily disengaged from active military service in 1999.

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 2022

The Directors are pleased to present to the members of the Nigerian Aviation Handling Company Plc ("NAHCO") their Report together with the consolidated and separate Audited Financial Statements for the year ended 31st December 2022, which is in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and other national disclosures.

PRINCIPAL ACTIVITIES

The principal activities of NAHCO are the provision of services including aircraft handling, cargo handling, passenger handling, passenger profiling, crew transportation, energy and power distribution and leasing of ground handling equipment.

REVIEW OF BUSINESS

The review of NAHCO business and future prospects contained in the Chairman's statement are an integral part of the Directors Report and should be read in conjunction with the Directors Report.

DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors accept responsibility for the preparation of the consolidated and separate financial statements set out on page 32 to 104 that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS), the provisions of the Companies and Allied Matters Act (CAMA) 2020 and the requirements of the Financial Reporting Council of Nigeria Act 2011. The Directors further accept responsibility for maintaining accounting records as required by the Companies and Allied Matters Act, 2020 and for such internal control as the Directors determine is necessary to ensure adequate internal control procedures are instituted to safeguard assets, prevent and detect frauds, errors and other irregularities.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern for at least twelve months from the date of this statement

Results for the year

	Group 2022 ₦'000	Group 2021 ₦'000	Company 2022 ₦'000	Company 2021 ₦'000
Revenue	16,707,925	10,232,674	16,074,622	9,658,964
Profit before taxation	3,842,410	924,855	3,618,614	742,824
Taxation for the year	(1,168,667)	(153,240)	(1,070,741)	(163,094)
Profit for the year	2,673,743	771,615	2,547,873	579,730
Non-controlling interest	(15,585)	(28,426)	-	-
Retained profit for the year attributable to equity holders of the parent	2,658,158	743,189	2,547,873	579,730

REPORT OF THE DIRECTORS – Continued FOR THE YEAR ENDED 31ST DECEMBER 2022

DIVIDEND

The Directors will propose a gross dividend of N1.20 kobo per ordinary share, amounting to N2,339 million to the members at the Annual General Meeting for approval (2021: N665.93 Million). The dividend if approved will be subjected to withholding tax at 10%

DIRECTORS

The Directors who served on the Board during the year under review and up till the date of signing this annual report are:

Chairman	Dr. Seinde Oladapo Fadeni
Group Managing Director/CEO	Mr. Indranil Gupta
Executive Directors	Dr. Peter Olusola Obabori (Appointed 12th May 2022) Prince Saheed Lasisi
Non-Executive Directors	Engr. Mohammed Gambo Umar, mni, FNSE Mr. Taofeeq Oluwatoyin Salman Engr. Solagbade Olukayode Alabi Mr. Tajudeen Moyosola Shobayo Prof. Enyinna Ugwuchi Okpara
Independent Directors	Mrs. Abimbola Adunola Adebakin Sir Sunday Nnamdi Nwosu, KSS Mr. Akinwumi Godson Fanimokun

ELECTION OF DIRECTORS

There were no appointments to or departures from the Board since the last Annual General Meeting.

RE-ELECTION OF DIRECTORS

In accordance with Article 107 – 109 of the Articles of Association and provisions of the Companies and Allied Matters Act, 2020 Dr Seinde Oladapo Fadeni, Mr. Taofeeq Oluwatoyin Salman and Prof. Enyinna Okpara (non-Executive Directors) are the Directors retiring by rotation and being eligible offer themselves for re-election. The profiles of the Directors for re-election are contained in the 2022 Annual Report and can also be accessed on the Company's website: www.nahcoaviance.com.

DIRECTORS' INTEREST

The direct and indirect interests of the Directors in the issued share capital of the Company as recorded in the Register of Directors' shareholdings and/ or notified by them for the purpose of Sections 301, 303 and 385 of the Companies and Allied Matters Act, 2020 and in compliance with the Listing Rules of the Nigerian Exchange Group were as follows:

REPORT OF THE DIRECTORS – Continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

DIRECTORS' SHAREHOLDING:

S/NO.	NAMES OF DIRECTORS	HOLDINGS AS AT 31 DECEMBER 2022	% HOLDINGS	HOLDING AS AT 31 DECEMBER 2021	% HOLDINGS
1.	Dr. Seinde Oladapo Fadeni - Direct - Indirect (Godsmart Nigeria Limited)	- 525,278,312	- 26.95	- 437,731,927	- 26.95
2.	Engr. Mohammed Gambo Umar, mni, FNSE	-	-	-	-
3.	Mr. Indranil Gupta	-	-	-	-
4.	Sir Sunday Nnamdi Nwosu	162,858	0.008	135,715	0.008
5.	Mr. Akinwumi Godson Fanimokun	6,731,932	0.345	5,026,610	0.309
6.	Mr. Taofeeq Oluwatoyin Salman	-	-	-	-
7.	Engr. Solagbade Olukayode Alabi – Direct - Indirect— (White Cowry Industries Limited)	- 178,643,862	- 9.165	- 148,869,885	- 9.165
8.	Prof. Enyinna Ugwuchi Okpara – Direct - Indirect (Awhua Resources Limited)	39,600 138,945,487	0.002 7.129	115,787,906	7.129
9.	Mr. Tajudeen Moyosola Shobayo	15,030,190	0.771	1,138,276	0.070
10.	Dr Peter Olusola Obabori	-	-	-	-
11.	Mrs. Abimbola Adunola Adebakin	-	-	-	-
12.	Prince Saheed Lasisi	6,146,913	0.315	3,006,185	0.185
	TOTAL	870,979,154	44.685	711,696,504	43.816

DIRECTORS' INTEREST IN CONTRACTS

None of the Directors has notified the Company, for the purpose of Section 303 of the Companies and Allied Matters Act 2020, that they were members or held shareholding of some specified companies which could be regarded as interested in any contracts which the Company was involved as at 31st December, 2022.

RELATED PARTY

In line with the Group's related party policy, transactions are carried out with related parties at arm lengths.

SHAREHOLDING

The registrars have advised that the called-up and fully paid shares of the Company as at 31 December 2022 were beneficially held as follows:

REPORT OF THE DIRECTORS – Continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

SHAREHOLDING STRUCTURE AS AT
DECEMBER 31, 2022

PAID UP SHARE CAPITAL:

1,949,062,500

TYPE	HOLDERS	% HOLDERS	HOLDINGS	% HOLDINGS
BANKS	1	0.00	4,174	0.00
OTHER CORPORATE ENTITIES	2,876	4.00	1,041,386,423	53.43
OTHER MANAGED FUNDS	159	0.22	13,899,240	0.71
STATE GOVERNMENT	1	0.00	34,747	0.00
LOCAL GOVERNMENT	1	0.00	1,666	0.00
INDIVIDUALS	68,659	95.56	890,087,738	45.67
FOREIGN SHAREHOLDER	152	0.21	3,648,512	0.19
TOTAL:	71,849	100.00	1,949,062,500	100.00

SHAREHOLDING STRUCTURE AS AT
DECEMBER 31, 2021

PAID UP SHARE CAPITAL:

1,624,218,750

TYPE	HOLDERS	% HOLDERS	HOLDINGS	% HOLDINGS
BANKS	1	0.00	3,479	0.00
CORPORATE ENTITIES	2,874	4.02	903,747,062	55.64
OTHER MANAGED FUNDS	160	0.22	17,673,991	1.09
STATE GOVERNMENT	2	0.00	1,028,956	0.06
LOCAL GOVERNMENT	1	0.00	1,389	0.00
INDIVIDUALS	68,383	95.54	698,609,170	43.01
FOREIGN SHAREHOLDERS	153	0.21	3,154,703	0.19
TOTAL:	71,574	100.00	1,624,218,750	100.00

Share Range Analysis

PAID UP SHARE CAPITAL: 31 DECEMBER 2022

1,949,062,500

	RANGE	HOLDERS	% HOLDERS	HOLDINGS	% HOLDINGS
1	- 10,000	61,468	85.55	136,969,304	7.03
10,001	- 100,000	8,924	12.42	261,047,609	13.39
100,001	- 1,000,000	1,327	1.85	335,542,589	17.22
1,000,001	- 10,000,000	120	0.17	295,753,576	15.17
10,000,001	- 100,000,000	7	0.01	167,988,981	8.62
100,000,001	- 1,949,062,500	3	0.00	751,760,441	38.57
GRAND-TOTAL:		71,849	100.00	1,949,062,500	100.00

REPORT OF THE DIRECTORS – Continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

Share Range Analysis... Continued

PAID UP SHARE CAPITAL: 31 DECEMBER 2021 1,624,218,750

RANGE	HOLDERS	% HOLDERS	HOLDINGS	% HOLDINGS
1 - 10,000	62,530	87.36	128,358,524	7.90
10,001 - 100,000	7,809	10.91	235,508,872	14.50
100,001 - 1,000,000	1,128	1.58	294,693,946	18.14
1,000,001 - 10,000,000	100	0.14	228,290,690	14.06
10,000,001 - 100,000,000	4	0.01	151,639,675	9.34
100,000,001 - 1,624,218,750	3	0.00	585,727,043	36.06
GRAND-TOTAL:	71,574	100.00	1,624,218,750	100.00

- Godsmart Nigeria Limited is represented on the Board by Dr. Seinde Oladapo Fadeni, Engr Muhammed Gambo Umar, Mr Taofeeq Oluwatoyin Salman and Mr. Tajudeen Moyosola Shobayo.
- White Cowry Industries Limited is represented by Engr. Solagbade Olukayode Alabi.
- Awhua Resources Limited is represented by Prof. Enyinna Ugwuuchi Okpara

LIST OF SHAREHOLDERS WITH 5% AND ABOVE HOLDINGS AS AT DECEMBER 31, 2022			
PAID UP SHARE CAPITAL:			1,949,062,500
S/NO.	NAMES	HOLDINGS	% HOLDINGS
1	GODSMART LIMITED ALL ACCOUNTS 6 SUNBO JIBOWO STREET OFF RIBADU ROAD SW IKOYI, LAGOS	525,278,312	26.95
2	WHITE COWRY INDUSTRIES LIMITED ALL ACCOUNTS 6 SUMBO JIBOWU STREET OFF RIBADU ROAD SW IKOYI, LAGOS	178,643,862	9.17
3	AWHUA RESOURCES LIMITED ALL ACCOUNTS P O BOX 4240 APAPA LAGOS STATE, LAGOS	138,945,487	7.13
GRAND-TOTAL:		842,867,661	43.24

REPORT OF THE DIRECTORS – Continued
FOR THE YEAR ENDED 31ST DECEMBER 2022
Share Range Analysis... Continued

LIST OF SHAREHOLDERS WITH 5% AND ABOVE HOLDINGS AS AT DECEMBER 31, 2021			
PAID UP SHARE CAPITAL:			1,624,218,750
S/NO.	NAMES	HOLDINGS	% HOLDINGS
1	GODSMART LIMITED ALL ACCOUNTS 6 SUNBO JIBOWO STREET OFF RIBADU ROAD SW IKOYI, LAGOS	437,731,927	26.95
2	WHITE COWRY INDUSTRIES LIMITED ALL ACCOUNTS 6 SUMBO JIBOWU STREET OFF RIBADU ROAD SW IKOYI, LAGOS	148,869,885	9.17
3	AWHUA RESOURCES LIMITED ALL ACCOUNTS P O BOX 4240 APAPA LAGOS STATE, LAGOS	115,787,906	7.13
GRAND-TOTAL:	3	702,389,718	43.24

Acquisition of own share

The Group did not acquire any of its shares during the year ended 31 December 2022 (2021; Nil)

AUDIT COMMITTEE

Pursuant to Section 404 of the Companies and Allied Matters Act 2020, the Group has an audit committee comprising **of Directors and Shareholders. The report of the Audit Committee is included in consolidated and separate financial statements and their function is laid out in Section 404 of the Companies and Allied Matters Act, 2020.**

SHAREHOLDERS' INFORMATION

Share Capital History 31 December 2022

DATE	AUTHORIZED SHARE CAPITAL INCREASED FROM (N)	AUTHORIZED SHARE CAPITAL INCREASED TO (N)	ISSUED SHARE CAPITAL INCREASED FROM (N)	ISSUED SHARE CAPITAL INCREASED TO (N)	CONSIDERATION
Friday, 25 May 2007	150,000,000	500,000,000	-	150,000,000	INITIAL SHARE CAPITAL
Friday, 25 May 2007		500,000,000	150,000,000	375,000,000	BONUS (3:2)
Friday, 25 May 2007	-	500,000,000	375,000,000	392,500,000	RIGHTS
Sunday, 27 May 2007	-	500,000,000	392,500,000	437,500,000	PUBLIC OFFER
Friday, 9 May 2008	-	500,000,000	437,500,000	492,187,500	BONUS (1:8)
Friday, 21 August 2009	500,000,000	750,000,000	-	492,187,500	-
Friday, 21 August 2009	-	-	492,187,500	615,234,375	BONUS (1:4)
Thursday, 7 June 2012	-	-	615,234,375	738,281,250	BONUS (1:5)
Thursday, 11 June 2015	750,000,000	1,500,000,000	738,281,250	812,109,375	BONUS (1:10)
Monday, October 31, 2022			1,624,218,750	1,949,062,500	BONUS (1:5)

SUMMARY 2022

INITIAL SHARE CAPITAL	300,000,000
BONUS ISSUES	1,199,218,750
RIGHTS OFFER	35,000,000
PUBLIC OFFER	90,000,000
BONUS ISSUES	324,843,750
PAID UP CAPITAL	1,949,062,500

REPORT OF THE DIRECTORS – Continued
FOR THE YEAR ENDED 31ST DECEMBER 2022
SHAREHOLDERS' INFORMATION... Continued

ANALYSIS

YEAR	SHARE CAPITAL	MODE OF ACQUISITION
2006	300,000,000	INITIAL SHARE CAPITAL
2007	750,000,000	BONUS 2007 450,000,000 SHARES
2007	785,000,000	RIGHTS OFFER 35,000,000 SHARES
2007	875,000,000	PUBLIC OFFER 90,000,000 SHARES
2008	984,375,000	BONUS 2008 109,375,000 SHARES
2010	1,230,468,750	BONUS 2009 246,093 750 SHARES
2012	1,476,562,500	BONUS 2011 246,093 750 SHARES
2015	1,624,218,750	BONUS 2015 147,656,250 SHARES
2022- TILL DATE	1,949,062,500	BONUS 2022 324,843,750 SHARES

DONATIONS AND CHARITABLE GIFTS

The Group made donations and gifts as detailed below during the year: (2022: N 16.267M; 2021:N3.64M)

ORGANIZATION NAMES:	N'000
ATSSSAN & NUATE	1,600
FEDERAL AIRPORT AUTHORITY OF NIGERIA	2,500
ANCLA	300
AFRICAN BAR ASSOCIATION	1,773
ASSOCIATION OF FOREIGN AIRLINES & REPS. IN NIGERIA	500
THE NIGERIA POLICE FORCE	50
FEDERAL ROAD SAFETY CORPS	50
NIGERIA CUSTOMS SERVICE	1,494
NIGERIA BRITISH CHAMBER OF COMMERCE	2,000
ILUPEJU LIONS CLUB	2,000
AZMAN AIRLINES	1,000
NIGERIAN CIVIL AVIATION AUTHORITY	1,000
FUSION OF EYE DEVELOPMENT ASSOCIATION	2,000

	16,267
	=====

In accordance with the provisions of Section 43 (2) of the Companies and Allied Matters Act 2020, the Group did not make any donation or gift to any political party, political association or for any political purpose during the year ended 31 December 2022 (2021: Nil).

WHISTLE BLOWING

The Group is committed to conducting its affairs ethically and responsibly. Unethical behaviours cost the Company money, time, human resources and can negatively affect the Group's reputation before its stakeholders. All ethical abuses and fraud are reported through the Company's internal and external whistle blowing processes.

NAHCO PLC FREE FLOAT STATUS

Shareholding Structure/Free Float Status

Description	Dec. 31 st , 2022		Dec. 31 st , 2021	
	Units	Percentage (In relation to Issued Share Capital)	Units	Percentage (In relation to Issued Share Capital)
Issued Share Capital	1,949,062,500	100.000%	1,624,218,750	100.000%
Details of Substantial Shareholdings (5% and above)				
[Name(s) of Shareholders]				
Godsmart Nigeria Ltd	525,278,312	26.950%	437,731,927	26.950%
White Cowry Industries Limited	178,643,862	9.165%	148,869,885	9.165%
Awhua Resources Limited	138,945,487	7.129%	115,787,906	7.129%
Total Substantial Shareholdings	842,867,662	43.244%	702,389,718	43.244%

NAHCO PLC FREE FLOAT STATUS - Continued

Shareholding Structure/Free Float Status - continued

Details of Directors Shareholdings (direct and indirect), excluding directors' holding substantial interests				
[Name(s) of Directors]				
Dr. Seinde Fadeni Oladapo (Indirect)	-	-	-	-
Engr. Mohammed Gambo Umar, mni, FNSE (Direct)	-	-	-	-
Mrs Olatokunbo Adenike Fagbemi (Direct)	-	0%	-	0.000%
Sir Sunday Nnamdi Nwosu (Direct)	162,858	0.008%	135,715	0.008%
Mr. Akinwumi Godson Fanimokun (Direct)	6,731,932	0.345%	5,026,610	0.309%
Mr. Salman Taofeeq Oluwatoyin (Direct)	-	-	-	-
Engr. Solagbade Olukayode Alabi (Indirect)	-	-	-	-
Mr. Tajudeen Moyosola Shobayo (Direct)	15,030,190	0.771%	1,138,276	0.070%
Mr. Olumuyiwa Augustus Olumekun (Direct)	-	-	-	-
Mrs. Abimbola Adunola Adebakin (Direct)	-	-	-	-
PROF. ENYINNA UGWUCHI OKPARA	39,600	0.002%	-	-
Prince Saheed Lasisi (Direct)	6,146,913	0.315%	3,006,185	0.185%
Total Directors' Shareholdings	28,111,493	1.442%	9,306,786	0.573%
Details of Other Influential shareholdings, if any (E.g. Government, Promoters)				
[Name(s) of Entities/ Government]	-	-	-	-
Total of Other Influential Shareholdings	-	-	-	-
Free Float in Unit and Percentage	1,078,083,345	55.314%	912,522,246	56.182%
Free Float in Value	N6,902,915,782.40		N3,295,738,281.60	

Declaration:

A) NAHCO Plc with a free float percentage of 55.338% as at 31 Dec. 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

A) NAHCO Plc with a free float percentage of 56.365% as at 31 Dec. 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

Note:

* Share Price as at Dec. 31st, 2022 N6.40

* Share Price as at Dec. 31st, 2021 N3.60

REPORT OF THE DIRECTORS – Continued FOR THE YEAR ENDED 31ST DECEMBER 2022

UNCLAIMED DIVIDEND

Shareholders who are yet to receive their dividend are advised to contact the Registrar, Cardinal Stone Registrars, 358, Herbert Macaulay Way, Yaba Lagos. The list of unclaimed dividends can be accessed at the Registrar's office or via the Company's website: www.nahcoaviance.com.

The Company's Registrars has advised that the total amount outstanding as at 31st December 2022 is the sum of N610million

PHYSICALLY CHALLENGED PERSONS

The Group has a policy of fair consideration of job applications by disabled persons having regard to their abilities and aptitude. The Group's policy prohibits discrimination against disabled persons in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to those of other employees.

PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property, plant and equipment is given in Note 11 to the financial statements. In the opinion of the Directors, the market value of the Group's property, plant and equipment is not less than the value shown in these financial statements.

EVENTS AFTER THE REPORTING DATE

No events or transactions have occurred since the end of the reporting period, which would have a material effect on the financial statements at that date or which need to be mentioned in the financial statements in order to make them not misleading as to the financial position or results of operations.

EMPLOYEES HEALTH, SAFETY AND WELFARE

Health and Safety Regulations are in force within the Group for the benefit of all employees. Health and Safety are imbibed as our core value for every employee, contractor and stakeholders that we interact with as a business.

A staff clinic is maintained and in addition the Group has made arrangements with Health Management Organisations (HMO) where medical facilities are provided for staff and their immediate families as non-payroll employee benefits. Also, the Group has a dedicated unit for Health, Safety Environment and Quality in line with standard policy applicable to aviation industry. A contributory pension fund scheme, in line with the Pension Reform Act 2014 (as amended), exists for employees of the Group.

EMPLOYEE INVOLVEMENT AND TRAINING

The Group places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and the various factors affecting the performance of the Group. This is achieved through regular meetings between management and staff of the Group. The Group has in-house training facilities complemented with additional facilities from educational institutions (local and offshore) for the training of its employees.

SUSTAINABILITY REPORT

The Group believes that it must contribute to the society and therefore plays an active role in the development of the communities where it operates and implements proactive measures in favour of sustainability that creates value for the shareholders, customers and other stakeholders.

REPORT OF THE DIRECTORS – Continued FOR THE YEAR ENDED 31ST DECEMBER 2022

CONTRAVENTION OR PENALTY IMPOSED ON THE COMPANY

There was no sanction imposed on the company during the year ended 31 December 2022.

CUSTOMER COMPLAINTS

The Company is committed to ensuring an effective and responsive complaints management process hence it has put in place a complaints management policy to ensure that the causes of complaints are fully addressed and to assure stakeholders and members of the public that their concerns will be handled in a fair and appropriate manner.

DIRECTORS' REMUNERATION

The Company ensures that remuneration paid to its Directors complies with the provisions of the Codes of Corporate Governance issued by the regulators, in compliance of which it makes disclosure of the remuneration paid to its directors in this consolidated and separate financial statements.

DISCLOSURE OF REMUNERATION OF MANAGERS

The remuneration of the managers of the Company for the year ended 31st December 2022 is disclosed in this consolidated and separate financial statements.

AUDITORS

The auditors, Ernst & Young, having satisfied the relevant corporate governance rules on their tenure in office indicated their willingness, will continue in office as the Group's auditors in accordance with Section 401(2) of the Companies and Allied Matter Act, 2020.

By Order of the Board



Bello A. Abdullahi
Dikko & Mahmoud (Solicitors & Advocates)
FRC/2013/ NBA/00000002301
FRC/2015/NFPO/00000000041
Company Secretary

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2022

CORPORATE GOVERNANCE

Nigerian Aviation Handling Company Plc is committed to observing high standards of corporate governance. The Board of Directors recognises the importance of applying best corporate governance principles, its valuable contribution to long term business prosperity and accountability to its shareholders. Consequently, the Group has undertaken to create the institutional framework conducive to defending the integrity of the Directors and is convinced that, on account of this, the Board is functioning in a highly effective manner. The Board will continue to challenge itself to improve the standard in areas where the need for improvement is identified.

The Group continues to comply with the provisions of the Companies and Allied Matters Act 2020, the Nigerian Code of Corporate Governance 2018 (the "Nigerian Code"), the Nigerian Exchange Limited's Rules, the Rules and Guidelines of the Securities and Exchange Commission (SEC), the Memorandum and Articles of Association, the Board and Board Committees Charters, International Best Practices and other applicable regulations.

This governance report highlights the Board's corporate governance activities for the year 2022, in compliance with relevant laws, rules and regulations, as well as best practices in corporate governance.

GROUP GOVERNANCE STRUCTURE

The Board

The Board is of a sufficient size relative to the scale and complexity of the Company's operations which is in accordance with the provisions of the Nigerian Code of Corporate Governance and the Company's Articles of Association which provides that the Company's Board shall consist of not more than twelve Directors.

Board comprises of twelve (12) Directors, made up of six (6) Non-Executive Directors, three (3) Independent Non-Executive Directors and three (3) Executive Directors. The composition of the Board is diverse and gender inclusive. The Directors possess high level of competencies and experience, with impressive records of achievement, spanning across various industries including: law; engineering; finance and accounting; business administration; marketing; banking and entrepreneurship.

Executive Directors

The position of the Group Managing Director (GMD/CEO) and the Chairman are held by separate persons. The Board Chairman is not a member or chair of any of the Board Committees, neither is the GMD /CEO a chair of any of the Board Committees. Also, the Executive Directors do not chair any Board Committee. The Executive Directors have contracts of employment and letters of appointment. The roles and responsibilities of Executive Directors are specified in their letters of appointment. They declare conflict of interest on appointment and as they occur.

Non-Executive Directors

The roles and responsibilities of Non-Executive Directors are clearly defined in their letters of appointment and Board charter. The appointment letters clearly specify their duties, liabilities and terms of engagement. Non-Executive Directors declare conflict of interest on appointment, annually and as they occur. They are provided with detailed information relating to management and on all Board matter. Non-Executive Directors have unfettered access to Executive Directors, the Company Secretary and the Internal Auditor.

CORPORATE GOVERNANCE REPORT - continued FOR THE YEAR ENDED 31ST DECEMBER 2022

Independent Non-Executive Directors

The Independent Non-Executive Directors are selected in accordance with the Company's Board Selection and Appointment Policy, under a rigorous process involving: consideration of available and required skill-set on the board; consideration of the recommended practices under the Nigerian Code; assessment, screening and shortlisting of candidates; recommendation of eligible and suitable candidate by the Governance and Remuneration Committee to the Board for approval. The appointment letters of Independent Non-Executive Directors clearly specifies their duties, liabilities and terms of engagement. Independent Non-Executive Directors declare conflict of interest on appointment, annually and as they occur. The Board ascertains and confirms independence of the Independent Non-Executive Directors annually, through the declaration of conflict and review by the Governance and Remuneration Committee.

Directors Access to Independent Professional Advice

All Directors have access to independent professional advice in the discharge of their duties as provided in the Board Charter. The Company bears the cost of the independent professional advice.

Selection and Appointment of Directors

In determining whether prospective directors are fit and proper persons, due diligence prior to the appointment of directors is conducted in line with the Directors Appointment Policy. The criteria considered for appointment to the Board are as follows:

- a. Integrity and ethical values of the prospective director.
- b. Capacity and the required expertise needed for the Board to effectively fulfil its responsibilities, including educational qualification, industry and corporate experience, business development and risk management skills and experience.
- c. Time availability of the prospective director.
- d. Diversity requirements of the Board.

Roles of the Board

The Board is responsible to shareholders for creating and delivering sustainable value through its general supervision of the Group's business. The Chairman is responsible for the leadership of the Board and creating the conditions for overall effectiveness of the individual Directors and the Board in general. All the Directors bring various and varied competencies to bear on all Board decisions. Each individual Director has the experience, knowledge, qualifications, expertise and integrity that are necessary to effectively discharge the duties of the Board of Directors. The Board is responsible for effective control and monitoring of the Group's strategy. The Board met regularly to consider matters reserved for it, set broad policies for the Company's business and operations and ensure that a professional relationship is maintained with the Company's auditors, to promote transparency in financial and non-financial reporting.

The Board Charter contains the roles, terms of reference and responsibilities of all Directors which are summarised as follows:

1. Approval of strategic plan, with annual updates, an annual operational plan and budget, and related corporate performance measures.
2. Reviewing the progress and performance of the Company in meeting these plans and corporate objectives.
3. In conjunction with management, taking account of changes in the business environment, their potential impact on the Company's strategies and operating environment and responding to these changes where necessary.
4. Approving key company policies and working with management in establishing policies for strengthening the performance of the Company including ensuring that Management is proactively seeking to build the business through areas such as innovation, initiative, technology, new products and the development of its business capital.
5. Ensuring that the Company adheres to high standards of ethical and corporate behaviour.
6. Ensuring corporate accountability to the Members of the Company primarily through adopting an effective stakeholder communications strategy, encouraging effective participation at general meetings and, through the Chairman, providing a link between the Company and its members.

CORPORATE GOVERNANCE REPORT - continued FOR THE YEAR ENDED 31ST DECEMBER 2022

Role of board - continued

7. Ensuring that the Company has appropriate risk management, internal control and regulatory compliance policies and procedures in place.
8. Monitoring Senior Management's performance and implementation of strategy.
9. Appointment of the GMD/CEO, remunerating the GMD/CEO, formal reviews of the GMD/CEO's performance together with the annual remuneration, overseeing the development of the GMD/CEO and ensuring a general succession plan is in place for the GMD/CEO position.
10. Appointment of Executive Directors, and Senior Managers on the recommendation of the Board Governance and Remuneration Committee.
11. Delegating appropriate powers to the GMD/CEO, Group Executive Management and committees to ensure the effective day-to-day management of the business.
12. Provide and approve the corporate remuneration framework and the remuneration levels of Senior Executives.
13. Provide the structure of appropriate human resource systems to ensure the well-being and effective contribution of all employees.
14. Approval of the Quarterly and Annual statutory financial statements ensuring they are true and fair, and otherwise conform to law.
15. Ensuring the Company's financial position is protected and can meet its debts and other obligations when they fall due.
16. Approval of major capital expenditure, major contracts, acquisitions and divestments after thorough preparation by the Group Executive Management.
17. Approval of acquiring or selling patent rights, rights in registered trademarks, licenses or other intellectual property rights of the Company.

Relationship with Shareholders

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

The Board of Directors' Meeting Attendance

In accordance with Section 284 (2) of the Companies and Allied Matters Act 2020 and the Nigerian Code of Corporate Governance 2018, the record of Director's attendance of meetings held during the year 2022 are detailed below and will be available for inspection at the venue of the Annual General Meeting.

Board Meetings

Minutes of Board meetings are prepared and sent to Directors at least 7 days prior to scheduled meetings. Minutes are, thereafter, approved at the subsequent scheduled meetings of the Board. The Board monitors the activities of the Executive Management and the accomplishment of set objectives through reports at its meetings. Attendance at meetings is taken into consideration prior to the Directors' recommendation for re-election.

The Board has a formal schedule of meetings for each year. In 2022, the Board met six (6) times, five (5) scheduled meetings held on 27th January, 29th March, 28th April, 28th July and 29th October and one (1) emergency meeting held on 19th February to consider review of the Company's Organogram, proposed Holding Company Organisation Structure and acceptance of resignation of the Executive Director Corporate Services. The record of attendance of Directors at the meetings is as follows:

CORPORATE GOVERNANCE REPORT - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

Directors	Designation	Number of Meetings During Tenure	Number of Meetings Attended
Dr. Seinde Oladapo Fadeni	Chairman (Non-Executive Director)	6	5
Engr. Mohammed Gambo Umar, mni	Vice Chairman (Non-Executive Director)	6	5
Mr. Indranil Gupta	Group Managing Director/ CEO	6	5
Sir. Sunday Nnamdi Nwosu	Independent Non-Executive Director	6	4
Mr. Akinwumi Godson Fanimokun	Independent Non-Executive Director	6	5
Mr. Taofeeq Oluwatoyin Salman	Non-Executive Director	6	5
Engr. Sholagbade Olukayode Alabi	Non-Executive Director	6	5
Mr. Tajudeen Moyosola Shobayo	Non-Executive Director	6	5
Prince Saheed Lasisi	Executive Director	6	5
Mrs. Abimbola Adunola Adebakin	Independent Non-Executive Director	6	5
Prof Enyinna Okpara	Non-Executive Director	6	5
Dr. Peter Olusola Obabori	Executive Director	2	2*

*NB
Dr. Peter Olusola Obabori did not attend the Board meetings on 27th January, 19th February, 29th March and 28th April because he was not appointed as a Director on those dates.

Board Committees

The Board has established committees to assist it in the discharge of its responsibilities. The Board has established the Board Committees Charters. The Charters spell out the responsibilities, appointment, terms of references and composition of the Board Committees and review process of the Charters, among other things.

In performing its oversight functions of the Group's business, the Board operates as a full Board or through the Board Committees whose compositions and functions are listed below. The Board Committees make appropriate recommendations for approval by the full Board. The Committees are as follows:

- (1) Risk and Compliance Committee.
- (2) Governance and Remuneration Committee.
- (3) Finance and General Purpose Committee

Risk and Compliance Committee

The Committee was chaired by a Non-Executive Director with three (3) other Non-Executive Directors and one (1) Executive Director.

The terms of reference include:

1. Oversight function on all risk related issues.
2. Keep under review the effectiveness of the Group's internal controls, audit functions and risk management system including the business risk program.
3. Evaluate whether Management is setting the appropriate "control culture" by communicating the importance of internal controls and management of risk.
4. Review the Group's policies and practices concerning business conduct, ethics and integrity.
5. Encourage whistle blowing process for report of unethical activity.
6. Review policies and processes established by Management on the implementation of risk, and safety quality and to monitor the Group's compliance with international standards of risk and safety quality.
7. Authorize the internal auditor to carry out investigation into any activities of Management/Group that may be of concern to the Committee.

CORPORATE GOVERNANCE REPORT - continued FOR THE YEAR ENDED 31ST DECEMBER 2022

Risk and Compliance Committee - continued

1. Serve as an independent and objective party to review the financial information presented by Management to the Board and the general public.
2. Oversee and appraise the quality of audits conducted by the Group's internal and external auditors.
3. Determine the efficiency and effectiveness of administrative operating and accounting controls used by the Group.
4. Establish and periodically review a code of conduct and monitor the ethical behaviour of the Group and Management to ensure compliance.
5. Review the placement of the Group's insurance program and its alignment with the Group's risk profile.
6. Identify any special projects or investigations deemed necessary.

Governance and Remuneration Committee

The Committee was chaired by an Independent Non- Executive Director with two (2) other Independent Non- Executive Directors and two (2) Non-Executive Director.

The terms of reference include:

1. Establish and review on a regular basis the existence of an appropriate code of conduct which focuses on leadership policies and general behavior within the Group.
2. Assess the effectiveness of the Board of Directors as a whole, the committees of the Board and the overall contribution of individual Directors including making recommendations to the Board with respect to the Board performance and standards and procedure for review of the Board's performance.
3. Oversee the Board performance evaluation process and reviewing the self-evaluation of the Directors.
4. Conduct an annual analysis of individual Directors' skills and experience to assess the Board's specific needs and the skills, experiences and behavioral attributes required to address its needs.
5. Prepare a profile for vacant positions, based on the identified gaps in skills and composition on the Board. Establish the criteria for Board and Board committee memberships, review candidates' qualifications and any potential conflict of interest, assess the contribution of current Directors in connection with their re-nomination and make recommendations to the Board.
6. Prepare a job specification for the Chairman's position, including an assessment of time commitment required of the candidate.
7. Evaluate the current composition, organization and governance of the Board and its committees, and determine future Board and committee requirements, including the appropriateness of the size of the Board relative to its responsibilities, and make recommendations regarding the foregoing to the Board for approval.
8. Review with Management and Company Secretary the Company system of governance.
9. Oversee the implementation and operation of process, structures and effective systems of governance as approved by the Board of Directors and industry specific standards and practices and make recommendations to the Board with respect to the Company's business code of conduct.
10. Review the Group's annual disclosure of its corporate governance practices pursuant to applicable legislative rules and industry specific standards and practices.
11. Perform any other activities consistent with its responsibilities and duties as the Committee or the Board of Directors deems necessary or appropriate.
12. Oversees compliance of all the Committees with the Group's corporate governance policies and standards.
13. Provide an orientation and education program for new recruits to the Board of Directors to allow them to fully understand (i) the business of the Group and the role of its Board of Directors, (ii) the role of the committees of the Board and (iii) the contribution individual directors are expected to make, including in particular, the commitment of time and energy that the Group expects of its Directors.
14. Identify the training needs and knowledge gaps of Board members. The Committee should ensure that each Board Director attends a minimum of one (1) core training or development program each financial year. The training programs should be such that would improve the effectiveness and efficiency of the Directors in managing the Group and meeting its business objectives.
15. Ensure that succession policy and plan exist for the positions of Chairman and the subsidiary managing directors for Group companies.
16. Review the performance and effectiveness of the subsidiary company Boards on an annual basis where applicable.

CORPORATE GOVERNANCE REPORT - continued FOR THE YEAR ENDED 31ST DECEMBER 2022

Governance and Remuneration Committee - continued

17. Provide for the succession of the Board Chairman, Non-executive Directors, the subsidiary Board and the subsidiary Managing Directors of the Group Companies to assist the Board in ensuring an orderly transition when Directors resign or retire.
18. The succession planning policy may include the following:
 - a. Key competencies - specific minimum qualifications and experience and the process for determining current and emerging competency requirements.
 - b. Identification of the talent pool/possible successors.
 - c. Areas of improvement of the alternatives and the required training/skill needed.
 - d. Transition guidelines.
19. Conducting evaluation and competency on the appointment of Non-Executive Directors.
20. Making recommendation on the appointment, remuneration and promotion of Executive Directors and senior Management.
21. Setting and reviewing the effectiveness of the remuneration policies, Management succession plan, human resources and practices of the Group.
22. Setting and reviewing, in accordance with the company's remuneration policies and practices, the remuneration of the Managing Director, the direct reports to the Managing Director and other such executives as the Board may from time to time determine.
23. Setting and reviewing, as appropriate, the terms of employment contracts for the personnel referred to above.
24. Setting and reviewing the terms of the Group's short- and long-term incentive plans including any share option plans for employees and Directors.
25. Making recommendations to the Board on setting and reviewing all components of the remuneration of Non-Executive Directors. Such components shall include annual remuneration, sitting allowance and all other benefits and entitlements arising from their directorships.
26. Ensuring that the Group's remuneration policies and practices support the successful recruitment, development and retention of Executive Directors and Senior Management Team.
27. Reviewing from time to time the Senior Executive Team and the appropriateness of succession planning policies which are in place.
28. Defines the process for determining levels of remuneration and the frequency of review.
29. Provides how and to what extent Executive Directors' reward should be linked to corporate and individual performance.
30. Provide input to the annual report of the Group in respect of Directors' compensation.
31. To consider any other matter referred to it by the Board.

Finance and General Purposes Committee

The Committee was chaired by a Non-Executive Director with two (2) Independent Non-Executive Directors and one (1) executive director.

The terms of reference include:

1. Stay informed on a timely basis about the Group's financial status.
2. As appropriate, review and recommend to the Board, key financial policy matters.
3. Oversee development of the budget, financial reporting, policies and processes.
4. Advise Management and the Board regarding financial matters including global financial policies and practices, capital structure, annual financing plans, restructuring, acquisitions and divestitures.
5. Analyze and recommend basic financial goals to be achieved by the Group.
6. Receive suggestions from the Executive Management as to how performance can and will be improved upon.
7. Review significant relationships with analysts, banks and investment banks.
8. Review the operational and financial performance of the Group on major capital investment projects versus original projections and to keep the Board advised on all financial implications on decisions taken.
9. Review and recommend a dividend policy for the Group.
10. Evaluating the long-term productivity of the Group's operations.
11. Review operating budgets of the Group. Review financial performance of the Group and compare performance to budgets and goals.
12. Tracking/monitoring/accountability for funds by the Executives.

CORPORATE GOVERNANCE REPORT - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

Finance and General Purposes Committee- Continued

13. Ensure adequate financial controls.
14. Recommend approval of capital expenditures, specific projects and their financing within the overall plan approved by the Board.
15. Require and monitor correction actions to bring the Company into compliance with its budgets and other financial targets.
16. Review and recommend to the Board the strategic planning process, long-range objectives and strategic plan for the Company along with the specific business and marketing plans for the Group and its subsidiaries.
17. Provide input from the Board to Management in the development of the Group's strategic plan.
18. Serve as a resource in assisting Management in the development of the Group's strategic plan.
19. Act in an advisory capacity in assessing the strategies and action plans designed to meet the Group's strategic objectives; and
20. Serve as representatives of the Board in evaluating the Group's strategic planning process.
21. Consider any other matters referred to it by the Board.

The Audit Committee

The Audit Committee was composed of five members made up of three representatives of the Shareholders elected at the 2022 Annual General meeting held on 29th July 2022 for a tenure of one year till the conclusion of the next Annual General Meeting; and two representatives of the Board of Directors nominated by the Board.

The terms of reference as provided in section 407 of the Companies and Allied Matters Act 2020 are as follows:

1. Ascertains whether the accounting and reporting policies of the Group are in accordance with legal requirements and agreed ethical practices.
2. Reviews the scope and planning of audit requirements.
3. Reviews the findings on management matters in conjunction with the external auditor and departmental responses thereon.
4. Keeps under review the effectiveness of the Group's system of accounting and internal controls.
5. Makes recommendations to the Board regarding the appointment, removal and remuneration of the external auditors of the Group; and
6. Authorises the internal auditor to carry out investigations into any activities of the Group which may be of interest or concern to the Committee.

Risk and Compliance Committee Meeting Attendance

The Committee met four (4) times during the 2022 financial year. The meetings were held on 17th March, 16th June, 15th September, and 8th December.

Directors	Designation	Number of Meetings / During Tenure	Number of Meetings Attended
Engr. Mohammed Gambo Umar, mni	Chairman (Non-Executive Director)	4	4
Mr. Indranil Gupta	Group Managing Director/ CEO	4	*2
Engr. Solagbade Olukayode Alabi	Non-Executive Director	4	4
Prof. Enyinna Okpara	Non-Executive Director	4	4
Mr. Taofeeq O. Salman	Non-Executive Director	4	4

*NB

Mr. Indranil Gupta, the Group Managing Director/ CEO was represented by Dr. Peter Olusola Obabori, the Executive Director Business and Corporate Services at the Committee's meetings on 15th September and 8th December.

CORPORATE GOVERNANCE REPORT - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

The Governance and Remuneration Committee Meeting Attendance

The Committee met six (6) times during the 2022 Financial Year. The meetings were held on the 3rd February, 15th February, 24th March, 15th June, 16th August, 14th September and 6th December.

Directors	Designation	Numbers of	Number of
		Meetings	Meetings
		During Tenure	Attended
Mr. Akinwumi Godson Fanimokun	Chairman (Independent Non-Executive)	7	6
Sir Sunday Nnamdi Nwosu, KSS	Independent Non-Executive Director	7	4
Mr. Tajudeen Moyosola Shobayo	Non-Executive Director	7	6
Engr. Solagbade Olukayode Alabi	Non-Executive Director	7	6
Mrs. Abimbola A. Adebakin	Independent Non-Executive Director	7	6

Finance and General Purposes Committee Meeting Attendance

The Committee met five (5) times during the 2022 financial year. The meetings were held on 19th January, 26th March, 20th April, 20th July and 19th October.

Directors	Designation	Number of	Number of
		Meetings	Meetings
		During Tenure	Attended
Mr. Tajudeen Moyosola Shobayo	Chairman (Non-Executive Director)	5	5
Mr. Akinwumi Godson Fanimokun	Independent Non-Executive Director	5	5
Mrs. Abimbola Adunola Adebakin	Independent Non- Executive Director	5	5
Mr. Indranil Gupta	Group Managing Director/ CEO	5	5
Mr. Olumuyiwa Augustus Olumekun	Executive Director	1	1*

NB

Mr. Olumuyiwa Augustus Olumekun did not attend the meetings of the Committee on 26th March 20th April, 20th July and 19th October because he was no longer on the Board and member of the Committee on those dates.

Audit Committee Meeting Attendance

met five (5) times during the 2022 financial year. The meetings were held on 20th January, 28th March, 21st April, 21st July and 20th October.

Directors	Designation	Number of Meetings During Tenure	Number of Meetings Attended
Dr. Okpan Awa Erem	Chairman (Shareholder)	5	5
Mr Mohammed Gambo Fagge	Member (Shareholder)	5	5
Mrs. Adebisi Oluwayemisi Bakare	Member (Shareholder)	5	5
Engr. Mohammed Gambo Umar, mni	Non-Executive Director	5	5
Mr. Tajudeen Moyosola Shobayo FCA	Non-Executive Director	5	5

CORPORATE GOVERNANCE REPORT - continued FOR THE YEAR ENDED 31ST DECEMBER 2022

Complaint Management Policy

The Board approved the Complaint Management Policy pursuant to the Rules of the Securities & Exchange Commission ("SEC") on the Complaints Management Framework of the Nigerian Capital Market ("Framework") and the directive of the Nigerian Exchange ("NGX") to all listed Companies. The policy is published on the Company's website: www.nahcoaviance.com. The Complaints Management Policy sets out the broad framework by which the Company and its Registrar provide assistance regarding shareholder issues and concerns. It also provides the opportunity for the Company's shareholders to send feedback to the Company on matters that affect them. Also, information on the performance of the Company and other major corporate information are available to shareholders in particular and the general public on the Company's website: www.nahcoaviance.com.

Communication with Shareholders/Stakeholders

The Company ensures that communication and dissemination of information regarding the operations of the Company to shareholders, stakeholders, potential investors and the general public is continuous, timely and accurate. At least 21 days prior to Annual General Meeting, notices, annual reports and other relevant information are dispatched to shareholders and their enquiries are responded to by the Board Chairman. Adequate information is also provided to shareholders through the Company's website and on Nigerian Exchange issuers' portal.

In accordance with the Company's Stakeholder Management and Communication Policy, the Company strives to proactively engage her stakeholders through regular and constructive dialogues, in order to anticipate and manage changes and, ultimately, partner together to create shared values. The Company interacts and engages in sustained dialogues with a broad spectrum of stakeholders, at all levels, through meetings and investor calls. The Company's investor relations portal is on www.nahcoaviance.com.

Insider Trading Policy

The Board approved an Insider Trading Policy which is compliant with the provisions of Section 14 of the Amended Listing Rules of the Nigerian Stock Exchange. The Policy applies to all Directors, members of Audit Committee, Employees of the Company or related company and any other person in possession of insider information from dealing with the Company's shares during the non-authorised trading periods, in accordance with the Investment and Securities Act, 2007, the Post Listing Rules of the Nigerian Exchange and the Company's policy on Insider Trading, published on the Company's website www.nahcoaviance.com.

Also, in compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) the Policy guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all the Directors and other insiders and is not aware of any infringement of the policy during the year.

Code of Business Conduct and Ethics

The Company's Code of Business Conduct and Ethics, which has been communicated to all internal and external stakeholders, is applicable to the Board, senior management, other employees and third parties. The Code ensures application of the principles on human rights, labour, environment, anti-bribery and corruption through the process of identification, monitoring, reporting and adherence to them. Disciplinary sanctions including written warning, suspension and termination of appointment are imposed for non-compliance with the Code in accordance with the consequence management procedure and staff Condition of Service.

Whistle Blowing Policy

The Company's Whistleblowing Policy has established a culture where employees feel comfortable raising concerns about potential and actual breaches of the Code of Business Conduct and Ethics or policies. A breach may be reported either through dedicated email address, integrity phone lines or on the Company's website. The whistleblowing mechanism is reliable, accessible and guarantees anonymity and protection of the whistleblower. The Audit Committee is regularly provided with reports of reported cases, including the process and results of investigated cases.

Sustainability Policy

The Company's Sustainability Policy is monitored through regular updates on sustainability.

CORPORATE GOVERNANCE REPORT - continued FOR THE YEAR ENDED 31ST DECEMBER 2022

Enterprise Risk Management

The Board established Enterprise Risk Management Policy in accordance with the Company's commitment to establish and sustain risk management in line with international standards and best practices. The Board receives reports from the Risk and Compliance Committee quarterly on the effectiveness of the Company's risk management processes and maintenance of a sound system of internal control to support the Company's strategy and objectives.

Data Protection Statement

The Company has put in place mechanisms to ensure that the collection and processing of personal data from customers, suppliers, stakeholders and employees comply with the requirements of the Nigerian Data Protection Regulation, 2019 (NDPR). The Company's privacy policy, which can be found on its website www.nahcoaviance.com, explains how it processes personal data in its possession and the rights and options available to data subjects. The Company has deployed requisite resources towards achieving full compliance with the NDPR.

Anti-Bribery and Corruption

The Board of Directors adopted the Anti-Bribery and Corruption Statement below in accordance with and the Company's commitment to upholding the highest.

The Anti-Bribery & Corruption Statement provides that:

the Company is committed to conducting its business dealings and relationships in an ethical manner and with the highest level of integrity, in accordance with the Code of Business Conduct and Ethics, standards of Corporate Governance, global best practices and all applicable anti-bribery and corruption laws such as the Corrupt Practices and other Related Offences Act of 2000, regardless of the business environment we operate in.

By Order of the Board



Bello A. Abdullahi
Dikko & Mahmoud (Solicitors & Advocates)
FRC/2013/ NBA/00000002301
FRC/2015/NFPO/00000000041
Company Secretary



SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY REPORT

The Nigerian Aviation Handling Company Plc (nahco aviance) is the leading ground handling services provider in West Africa. With offices in all the major airports in Nigeria, NAHCO employs about 1,600 workers to provide a service that is second to none in the sector.

The Company is committed to its responsibilities and has taken adequate steps towards sustaining its businesses in its environment.

Irrespective of the suspension of flights by some of our major clients due to dispute with federal authorities as a result of airlines' trapped funds, our excellent business sustainability plans ensured that we were not overly impacted negatively as we continue to meet our obligations to staff, clients and other stakeholders.

Our investment in human resource, including hiring of the best hands in the industry and the training and retraining of our workforce has put us in a great advantage regarding our business sustainability strategies.

The continuous investment by the Board and Management in GSE, including long – term lease of critical equipment, guarantees that we have the equipment required to service our clients.

Our well – trained Compliance Officers are deployed in all areas of our operations and in all locations to ensure that appropriate processes and procedures are followed in all our operations.

We have established a new department, Procedural Management, headed by a Manager and comprising certified professionals, to manage established protocols and ensure strict adherence to procedures in all our operations.

Our rich health insurance scheme for all staff ensures that employees and their immediate families have round – the – clock access to healthcare in facilities close to the airport and their homes.

Our purchase of brand new state-of-the-art wi-fi enabled coaster buses is premised on the need to provide comfort and convenience for airlines crew.

We restructured our HSE procedures and invested in new assets for all our operations. New safety boots, reflective jackets, and regular supply of earmuff, nose masks, sanitizers, hand gloves are constantly made available to our staff across the network.

Corporate Social Responsibility

The Implementation Committee set up by Management on CSR projects have initiated and indeed implementing some CSR projects within our immediate host communities in Ewutuntun, Ikeja, Lagos. More projects are expected to be implemented based on the identified need of the host communities in other locations we have our operations.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31ST DECEMBER 2022

The Companies and Allied Matters Act 2020 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Group at the end of the year and of its profit or loss. The responsibilities include ensuring that the Group:

- keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the International Financial Reporting Standards and the provisions of the Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigeria Act No 6, 2011
- Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the International Financial Reporting Standards and the provisions of the Companies and Allied Matters Act 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and of its profit for the year ended 31 December 2022. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

To the best of our knowledge and ability we report no contravention or violation of any regulatory requirement(s) during the year.

Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Dr. Seinde Oladapo Fadeni
Chairman
FRC/2019/NIM/00000019430

Mr. Indranil Gupta
Group Managing Director
FRC/2022/PRO/DIR/003/656485

29th March, 2023

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 31ST DECEMBER 2022

In accordance with the provision of Section 404 of the Companies and Allied Matters Act, 2020, members of the Audit Committee of Nigerian Aviation Handling Company Plc report as follows:

We have exercised our statutory functions under section 404 of the Companies and Allied Matter Act, 2020, and we acknowledge the co-operation of the Management and Staff in the conduct of these responsibilities.

We confirm that:

1. The accounting and reporting policies of the Group are consistent with legal requirements and agreed ethical practices.
2. The scope and planning of the external audit are in our opinion adequate.
3. The internal control system was in order.
4. The Independent Auditors' Management Letter Comments were satisfactorily dealt with by the Management.
5. We have reviewed the consolidated and separate audited financial statements prior to the Board's approval.



Dr Okpan Awa Erem
Chairman
Audit Committee
FRC/ 2014 / NIM/ 0000 0008663

29th March 2023

MEMBERS OF THE AUDIT COMMITTEE

Dr. Okpan Awa Erem
Mr. Mohammed Gambo Fagge
Mrs. Adebisi Oluwayemisi Bakare
Engr. Mohammed Gambo Umar, mni
Mr. Tajudeen Moyosola Shobayo FCA

Chairman
Shareholders Representative
Shareholders Representative
Non-executive Director
Non-Executive Director

GROUP EXECUTIVE COMMITTEE



INDRANIL GUPTA
GMD/CEO



OLUSOLA OBABORI
Executive Director, Business
& Corporate Services



SAHEED LASISI
Executive Director, Business
Development &
Commercial



ABIODUN OYEBADE
Head of Operations
(Resigned April. 2023)



ADEOYE EMILOJU
Chief Financial Officer

STATEMENT OF CORPORATE RESPONSIBILITY FOR PREPARATION OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2022

Certification Pursuant to Section 405(1) of Companies and Allied Matter Act, 2020

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 31 December 2022 that:

- a. We have reviewed the report;
To the best of our knowledge, the report does not contain:
 - Any untrue statement of a material fact, or
 - Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made;
- b. To the best of our knowledge, the financial statement and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in this report.
- c. We:
 - are responsible for establishing and maintaining internal controls.
 - have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
 - have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
 - have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- d. We have disclosed to the auditors of the Company and Audit Committee:
 - All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
 - Any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



.....
Mr. Indranil Gupta
Group Managing Director
FRC/2022/PRO/DIR/003/656485



.....
Mr. Adeoye Emiloju
Chief Financial Officer
FRC/2019/ICAN/00000019815

INDEPENDENT AUDITOR'S REPORT

To the Members of Nigerian Aviation Handling Company Plc
Report on the Consolidated and Separate Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2022



Opinion

We have audited the consolidated and separate financial statements of Nigerian Aviation Handling Company Plc ("the Company") and its subsidiaries (together "the Group") which comprise the consolidated and separate statements of financial position as at 31 December 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the Group and the Company as at 31 December 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with 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 and the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional 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, 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 Auditors' 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 matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Nigerian Aviation Handling Company Plc
Report on the Consolidated and Separate Financial Statements - continued
Key Audit Matters – Continued



The Key Audit Matters applies equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
<p>Determination of allowance for expected credit loss on trade receivables</p> <p>The Group had in its books as at 31 December 2022 gross trade receivables amounting to N4.263 billion with allowance for expected credit loss of N951.196 million. The allowance for expected credit loss represents 22% of the gross trade receivable.</p> <p>The Group continues to grapple with uncertainty over the collectability of contract receivables from specific customers. This condition became heightened as majority of the airlines that constitute the Group's major customers are yet to recover fully from the impact of Covid 19.</p> <p>The determination as to whether a trade receivable is collectable involves Management's judgment. The trade receivables were tested for impairment using the Expected Credit Loss (ECL) model. The ECL model also requires judgment in the estimation of the amount and timing of future cash flows and assessment of a significant increase in credit risk.</p> <p>We considered this a Key Audit Matter due to the materiality of the amounts involved and the high level of management judgement required.</p> <p>The Group's accounting policy on impairment of trade receivables and related ECL disclosures are shown in Note 31 in the financial statements</p>	<p>We obtained management's model for the computation of expected credit loss on trade receivable and performed the following procedures:</p> <ul style="list-style-type: none"> analyzed the segmentation of the portfolio provided by management and ensured they applied the shared risk characteristics. recomputed the payment profile of customers for sales recorded during the year and reviewed the bad debts in the year written off (deemed losses). challenged the loss rates to ensure that the calculation reflects the probability weighted outcome, tested the historical accuracy of the model by assessing the historical projections versus actual losses. challenged the scalar adjustment multiplier to determine if they were appropriate.

INDEPENDENT AUDITOR'S REPORT

To the Members of Nigerian Aviation Handling Company Plc
Report on the Consolidated and Separate Financial Statements - continued



Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Nigerian Aviation Handling Company Plc Annual Financial Statements for the year ended 31 December 2022", which include the Directors and Other Corporate information, Financial Highlights, Directors' Report, Statement of Corporate Responsibility for the Financial Statements, Statement of Directors' Responsibility, Audit Committee's Report and Other National Disclosures (Value Added Statement and Five-Year Financial Summary). The other information does not include the consolidated and separate financial statements and our auditor's 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, 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 the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the Company 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 scepticism 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITOR'S REPORT

To the Members of Nigerian Aviation Handling Company Plc
Report on the Consolidated and Separate Financial Statements - continued



- 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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 and/or the Company 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 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, actions taken to eliminate threats or safeguards applied.

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 the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the group and company, in so far as it appears from our examination of those books;
- The consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account; and
- in our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.



Omolola Alebiosu
FRC/2013/ICAN/00000000681

For: Ernst & Young
Lagos, Nigeria

March 29, 2023



CONSOLIDATED AND SEPERATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2022

		Group		Company	
	Notes	2022 ₦'000	2021 ₦'000	2022 ₦'000	2021 ₦'000
Revenue	5	16,707,925	10,232,674	16,074,622	9,658,964
Operating costs	9a	(9,157,117)	(6,889,038)	(8,955,704)	(6,695,929)
Gross profit		7,550,808	3,343,636	7,118,918	2,963,035
Other income	6	350,953	268,082	347,788	203,812
Administrative expenses	9b	(3,724,289)	(2,556,374)	(3,521,551)	(2,339,697)
Expected credit losses	9c	(237,392)	(2,724)	(238,547)	33,456
Profit from operations		3,940,080	1,052,620	3,706,608	860,606
Finance costs	7	(177,391)	(187,096)	(167,716)	(177,113)
Finance income	7	79,721	59,331	79,721	59,331
Profit before tax		3,842,410	924,855	3,618,614	742,824
Income tax expense	8(a)	(1,168,667)	(153,240)	(1,070,741)	(163,094)
Profit for the year		2,673,743	771,615	2,547,873	579,730
Other comprehensive income; net of tax		-	-	-	-
Total comprehensive income for the year, net of tax		2,673,743	771,615	2,547,873	579,730
Attributable to:					
Profit attributable to equity holders of the parent		2,658,158	743,189	2,547,873	579,730
Non-controlling interest	27	15,585	28,426	-	-
		2,673,743	771,615	2,547,873	579,730
Earnings per share:					
Basic/diluted earnings per share (Kobo)	10	136	38	131	30

The accompanying notes form an integral part of these financial statements

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		Group		Company	
	Notes	2022 ₦'000	2021 ₦'000	2022 ₦'000	2021 ₦'000
Assets					
Non-current assets					
Property, plant and equipment	11	7,621,117	6,839,798	7,498,793	6,701,957
Intangible assets	14	209,665	117,587	115,450	23,284
Investment property	15	287,434	296,447	287,434	296,447
Right of use Assets	12&13	684,891	697,553	701,312	709,524
Investment in subsidiaries	16	-	-	39,500	39,500
		-----	-----	-----	-----
Total non-current assets		8,803,107	7,951,385	8,642,489	7,770,712
		-----	-----	-----	-----
Current assets					
Inventories	18	449,465	288,507	449,465	288,507
Trade and other receivables	20	4,861,344	3,048,302	4,525,297	2,892,307
Intercompany receivables	21	-	-	627,893	609,276
Prepayments	19	1,803,296	2,242,332	1,522,568	2,022,431
Debt instruments at amortized costs	22b	-	355,883	-	355,882
Cash and cash equivalents	22	2,810,161	2,555,186	2,261,462	2,344,682
		-----	-----	-----	-----
Total current assets		9,924,266	8,490,210	9,386,685	8,513,085
		-----	-----	-----	-----
Total assets		18,727,373	16,441,595	18,029,174	16,283,797
		=====	=====	=====	=====
Equity and liabilities					
Equity					
Share capital	23	974,531	812,109	974,531	812,109
Share premium	24	1,752,336	1,914,758	1,752,336	1,914,758
Retained earnings	26	6,368,770	4,376,542	6,131,193	4,249,250
		-----	-----	-----	-----
Total equity attributable to equity holders of the Company		9,095,637	7,103,409	8,858,060	6,976,117
Non-controlling interests	27	(69,387)	(84,972)	-	-
		-----	-----	-----	-----
Total equity		9,026,250	7,018,437	8,858,060	6,976,117
		-----	-----	-----	-----
Non-current liabilities					
Lease liabilities	28a	1,142,809	1,163,761	1,154,759	1,173,501
Deferred tax liabilities	8C	878,207	715,706	879,947	725,163
		-----	-----	-----	-----
Total non-current liabilities		2,021,016	1,879,467	2,034,706	1,898,664
		-----	-----	-----	-----

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022 - continued

		Group		Company	
	Notes	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Current liabilities					
Current tax liabilities	8b	792,626	961,665	740,704	957,758
Trade and other payables	29	5,736,989	5,434,166	5,328,452	5,364,984
Lease liabilities	28	20,952	23,414	18,742	21,314
Deferred Income	30	1,129,540	1,124,446	1,048,510	1,064,960
		-----	-----	-----	-----
Total current liabilities		7,680,107	7,543,691	7,136,208	7,409,016
		-----	-----	-----	-----
Total liabilities		9,701,123	9,423,158	9,171,114	9,307,680
		-----	-----	-----	-----
Total equity and liabilities		18,727,373	16,441,595	18,029,174	16,283,797
		=====	=====	=====	=====

The financial statements were approved by the Board of Directors on 29th March 2023 and signed on its behalf by:

Dr. Seinde Oladapo Fadeni
Chairman
FRC/2019/NIM/00000019430

Mr. Indanil Gupta
Group Managing Director
FRC/2022/PRO/DIR/003/656485

Mr. Adeoye Emiloju
Chief Financial Officer
FRC/2019/ICAN/00000019815

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022
Attributable to the equity holders of the Group

2022	Share capital N'000	Share premium N'000	Retained earnings N'000	Total N'000	Non-Controlling interest N'000	Total equity N'000
At 1 January 2022	812,109	1,914,758	4,376,542	7,103,409	(84,972)	7,018,437
Profit for the year	-	-	2,658,158	2,658,158	15,585	2,673,743
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	2,658,158	2,658,158	15,585	2,673,743
Bonus issue of shares	162,422	(162,422)	-	-	-	-
Dividend paid (Note 26c)	-	-	(665,930)	(665,930)	-	(665,930)
At 31 December 2022	974,531	1,752,336	6,368,770	9,095,637	(69,387)	9,026,250
Attributable to the equity holders of the parent 2021						
At 1 January 2021	812,109	1,914,758	3,836,380	6,563,247	(113,398)	6,449,849
Profit for the year	-	-	743,189	743,189	28,426	771,615
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	743,189	743,189	28,426	771,615
Dividend paid (Note 26c)	-	-	(203,027)	(203,027)	-	(203,027)
At 31 December 2021	812,109	1,914,758	4,376,542	7,103,409	(84,972)	7,018,437

SEPARATE STATEMENTS OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

Company
2022

	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total ₦'000
At 1 January 2022	812,109	1,914,758	4,249,250	6,976,117
Profit for the year	-	-	2,547,873	2,547,873
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	2,547,873	2,547,873
Bonus issue of share	162,422	(162,422)	-	-
Dividend paid (Note 26c)	-	-	(665,930)	(665,930)
At 31 December 2022	974,531	1,752,336	6,131,193	8,858,060
2021				
At 1 January 2021	812,109	1,914,758	3,872,547	6,599,414
Profit for the year	-	-	579,730	579,730
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	579,730	579,730
Dividend paid (Note 26c)	-	-	(203,027)	(203,027)
At 31 December 2021	812,109	1,914,758	4,249,250	6,976,117

The accompanying notes form an integral part of these financial statements

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Notes	2022 ₦000	2021 ₦000	2022 ₦000	2021 ₦000
Operating activities					
Profit before tax		3,842,410	924,855	3,618,614	742,824
		-----	-----	-----	-----
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment (PPE)	9d	913,422	909,299	891,515	886,607
Depreciation of investment property	9d	10,319	82,639	10,319	82,639
Amortization of intangible asset	9d	6,833	13,588	6,746	13,503
Depreciation of right-of-use asset	12&13	51,974	57,987	47,524	49,421
Profit on disposal of PPE	6	(37,050)	(63,333)	(37,050)	(63,333)
Unrealised exchange difference	6	-	(20,153)	-	(20,153)
Expected credit losses expenses/ (write-back)	9c	237,391	2,724	238,546	(33,456)
Assets written off	11	25,007	2,260	25,007	2,260
Depreciation on assets written off	11	(2,779)	-	(2,779)	-
Inventories write down		43,320	36,000	43,320	36,000
Deferred rent released to profit or loss	30	(208,633)	(72,351)	(208,633)	(72,351)
Finance cost	7	177,391	187,096	167,716	177,113
Finance income	7	(79,721)	(59,331)	(79,721)	(59,331)
Provisions no longer required	6	(41,663)	-	(41,663)	-
		-----	-----	-----	-----
		4,938,221	2,001,280	4,679,462	1,741,743
Working capital adjustments:					
Increase/(decrease) in inventories		(204,277)	18,240	(204,277)	18,240
Increase In trade and other receivables		(2,597,696)	(465,974)	(2,458,687)	(545,145)
(Increase)/decrease in intercompany receivables		-	-	(18,974)	4,388
Increase in prepayments		(99,021)	(933,077)	(38,183)	(927,249)
Increase in trade and other payables		303,962	1,173,456	5,130	1,355,314
		-----	-----	-----	-----
		2,341,189	1,793,925	1,964,471	1,647,291
Taxation paid	8(b)	(603,907)	(58,572)	(562,060)	(30,243)
		-----	-----	-----	-----
Net cash flows from operating activities		1,737,282	1,735,353	1,402,411	1,617,050
		-----	-----	-----	-----

The accompanying notes form an integral part of these financial statements

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

FOR THE YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Notes	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Investing activities					
Purchase of property, plant and equipment	11	(1,363,760)	(463,666)	(1,356,975)	(459,051)
Acquisition of investment properties	15	(1,306)	(245,776)	(1,306)	(245,776)
Investment in debt Instrument	22b	-	(368,628)	-	(368,628)
Liquidation of debt instrument	22b	368,628	485,032	368,628	485,032
Proceeds from disposal of property, plant and equipment		83,419	64,000	83,271	64,000
Rent received	30	213,727	139,739	192,183	116,253
Grant received	30	-	1,000,000	-	1,000,000
Interest received	7	79,721	59,331	79,721	59,331
Net cash flows from investing activities		(619,324)	672,431	(634,478)	653,560
Financing activities					
Repayment of bond	28	-	-	-	-
Finance cost	7	(200,805)	(187,096)	(189,030)	(177,113)
Payment of interest on lease	28	-	(57,268)	-	(89,829)
Payment of lease liability	28	-	(187,928)	-	(138,585)
Dividends paid	26b	(665,930)	(250,488)	(665,930)	(250,488)
Net cash flows used in financing activities		(866,735)	(682,780)	(854,960)	(656,015)
Net increase/(decrease)in cash and cash equivalent		251,223	1,725,004	(87,027)	1,614,595
Cash and cash equivalents at 1 January		2,560,775	835,771	2,350,117	735,522
Cash and cash equivalents at 31 December		2,811,998	2,560,775	2,263,090	2,350,117

The accompanying notes form an integral part of these financial statements

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Reporting entity

Nigerian Aviation Handling Company PLC ("nahco aviance" or "the Company") is a company domiciled in Nigeria with its registered office at Murtala Muhammed International Airport, Ikeja, Lagos. The consolidated financial statements of the Company for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The group is primarily involved in provision of services including aircraft handling, cargo handling, passenger handling, passenger profiling, crew transportation, energy and power distribution and leasing of ground handling equipment.

2. Basis of preparation

a. Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the provisions of the Companies and Allied Matters Act 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

The financial statements were authorized for issue by the Directors on 29th March, 2023.

b. Functional and presentation currency

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

c. Basis of measurement

These financial statements are prepared on the historical cost basis except where fair values are adopted and disclosed in the policy and notes to the financial statements.

d. Use of estimates and judgments

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

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

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Determining the timing of satisfaction of Ground and Cargo Handling Services

Revenue from contract with customers is to be recognized over time because the customer simultaneously receives and consumes the benefits provided by the Company. The fact that another entity would not need to re-perform the service that the Company has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Company's performance as it performs.

The Company has determined that the input method is the best method in measuring progress of Ground and Cargo Handling Services contracts because it can demonstrate that the invoiced amount corresponds directly with the value to the customer of the Company's performance completed to date.

Operating lease commitments – Group as lessor

The group has entered into commercial property leases on its investment property portfolio. The group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2. Basis of preparation – Continued

d. Use of estimates and judgments - Continued

major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Going concern

The group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Discount rate used to determine the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) as it relates to each specific subsidiary to measure lease liabilities. The IBR is the rate of interest that each entity in the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group estimates the IBR using the following steps:

Step 1: Reference rate: This is generally a government bond reflecting risk-free rate. Repayment profile was considered when aligning the term of the lease with the term for the source of the reference rate.

Step 2: Financing spread adjustment: Use credit spreads from debt with the appropriate term by considering Company's stand-alone credit rating or similar Company credit rating.

Step 3: Lease specific adjustment: Use of market yield for the leased assets, as an additional data point and to check the overall IBRs calculated.

Re-assessment of useful lives and residual values

The Group carries its PPE at cost less accumulated depreciation and impairment in the consolidated and separate statements of financial position. The annual review of the useful lives and residual value of PPE result in the use of significant management judgements.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2. Basis of preparation – Continued

d. Use of estimates and judgments - Continued

Impairment of non-financial assets- Continued

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated and separate statements of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provision for expected credit losses of trade receivable

The company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2. Basis of preparation – Continued

d. Use of estimates and judgments - Continued

Provision for expected credit losses of trade receivable - Continued

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities.

3. Significant accounting policies

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

a. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns
- Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
 - The contractual arrangement(s) with the other vote holders of the investee
 - Rights arising from other contractual arrangements
 - The Group's voting rights and potential voting rights

The group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognized at fair value.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

3. Significant accounting policies – Continued

b. Foreign currency

Foreign currency transactions

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

c. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Items of property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of construction recognized includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in profit or loss.

Subsequent costs

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

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

Depreciation

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

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

Buildings	50 years
Computer equipment	3-10 years
Furniture, and equipment	2-10 years
Motor vehicles	4- 5 years
Plant and machinery	6-15 years
Capital work-in-progress	Not depreciated

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

3. Significant accounting policies – Continued

c. Property, plant and equipment - Continued

De-recognition

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

d. Intangible assets

The group's intangible assets comprise software that are not integral part of the related hardware. The intangible assets have finite useful lives of between ten and thirty years (10-30 years) and are measured at cost less accumulated amortisation and accumulated impairment losses.

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

Intangible assets acquired separately

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

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 the profit or loss when the asset is derecognised.

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

e. Inventories

Inventories are shown at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost includes direct cost and appropriate overheads and is determined on the first-in first-out method.

f. Financial Instruments

i. Financial assets

Recognition

Non-derivative financial instruments- recognition and measurement

The Group recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Group initially recognizes trade and other receivables on the date of transaction. Transaction cost of a financial asset measured at fair value through profit or loss is recognized as profit or loss.

Classification of non-derivative financial assets

Classification and measurement model of non-derivative financial assets are summarized as follows. The Group classifies financial assets at initial recognition as financial assets measured at amortized cost, debt instruments measured at fair value through other comprehensive income,

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

3. Significant accounting policies – Continued

f. Financial Instruments - Continued

Initial recognition and measurement - Continued

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss
- equity instruments measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset that meets both the following condition is classified as a financial asset measured at amortized cost.

- The financial asset is held within the Group's business model whose objective is to hold assets in order to collect contractual cash flows.
- The 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.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction cost directly attributable to the asset. After initial recognition, carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

3. Significant accounting policies – Continued

ii. Non-derivative financial liabilities.

Impairment of financial asset

The Group recognizes 12-month expected credit loss as loss allowance when there is no significant increase in the credit risk since initial recognition. When there is a significant increase in credit risk since initial recognition, expected credit losses for the remaining life of the financial assets are recognized as loss allowance. Whether credit risk is significantly increased or not is determined based on the changes in default risk. To determine if there is a change in default risk, following factors are considered. However, the Group always measures loss allowance for trade receivables at an amount equal to lifetime expected credit losses.

- External credit rating of the financial asset
- Downgrade of internal credit rating
- Operating results, such as decrease in sales, decrease in working capital, asset deterioration and increase in leverage.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for impairment. The carrying amount of trade receivable is reduced through the use of an allowance account. When trade receivables are uncollectible, it is written off as 'administrative expenses' in the profit or loss. Subsequent recoveries of amounts previously written off are included in other operating income.

Cash and cash equivalents

Cash and cash equivalents comprise of cash, bank balances and call deposits with original maturities of three months or less. There is no significant loss of value on conversion.

g. Share Capital

Ordinary Shares

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

Dividend on ordinary shares

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

h. Taxation

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

3. Significant accounting policies – Continued

i. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the profit or loss when they are due. In accordance with the Pension reform Act 2014, employees contribute 8% from their salary while the company contributes 10% on behalf of each employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Short-term benefits

Short-term employee benefit obligations including salaries, allowances, and bonuses are measured on an undiscounted basis and are expensed as the related service is provided.

	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
Payroll costs allocation				
Operating costs	5,036,730	4,041,326	5,031,719	4,005,791
Administrative expenses	1,543,987	1,017,753	1,425,929	936,572

A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

j. Provisions

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

k. Revenue from customers from contract

The group is involved in aviation cargo, aircraft handling, crew and passenger transportation service delivery and power distribution. Revenue from contract with customer is recognized when controls of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in an exchange for those goods and services.

Passenger and Aircraft Handling services

The performance obligation is satisfied overtime and payment is generally due upon completion and acceptance of the customers.

Cargo Handling services

These are contracts with customers with respect to cargo handling services and the performance is satisfied overtime and payment is generally due upon completion and acceptance of the customers.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

3. Significant accounting policies – Continued

l. Finance income and expense

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

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

m. Investment property

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

n. Earnings per share

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

o. Fair value measurement

The group measures financial instruments and non-financial assets such as investment properties, at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

3. Significant accounting policies – Continued

o. Fair value measurement - Continued

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

p. Current versus non-current classification

The group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

q. Policy on Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lease

The Group applies a single recognition and measurement approach for all leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right of use of assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, plus any accrued lease liabilities or prepayments. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office building 15-20 years
- Leasehold land 50 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (2) Impairment of non-financial assets.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

3. Significant accounting policies – Continued

q. Policy on Leases - Continued

ii. Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include only fixed payments.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short term leases

The Group applies the short-term lease recognition exemption to its short-term leases of properties (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Group as a lessee

The Group has lease contracts for various land and buildings used in its operations. Leases of land and buildings generally have lease terms between 15 to 20 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Most of these lease contracts contain extension and termination options which have been considered in the non-cancellable period of the lease. All lease arrangements below N50,000 are expensed in the year they are incurred.

r. Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the period that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

4. Changes in accounting policies and disclosures

a. Standards and interpretations effective for the first time for 31 December 2022 year end

Reference to the Conceptual Framework IV Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential “day 2” gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments is not applicable to the Company.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

4. Changes in accounting policies and disclosures - continued

a. Standards and interpretations effective for the first time for 31 December 2022 year end - continued

IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. These amendments had no impact on the consolidated financial statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

b. Standards and interpretations issued not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published but not yet effective. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

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

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents’ profit or loss only to the extent of the unrelated investors’ interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents’ profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the Group’s audited financial statements.

IFRS 17- Insurance Contract

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

This standard is not applicable to the Group.

4. Changes in accounting policies and disclosures - continued
- b. Standards and interpretations issued not yet effective - continued

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

Amendments to IAS 12 - Deferred Tax related to Assets and liabilities arising from a Single Transaction

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendment clarify that where payments that settle a liability are deductible for tax purposes, it is a matter

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

4. Changes in accounting policies and disclosures - continued

b. Standards and interpretations issued not yet effective - continued

Amendments to IAS 12 - Deferred Tax related to Assets and liabilities arising from a Single Transaction- continued

of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendment is effective for annual periods beginning on or after 1 January 2023.

The Group is currently evaluating the impact this amendment would have on its financial statements.

Lease liability in a Sale and Leaseback – Amendments to IFRS 16

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (amendments to IFRS 16). The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after 1 January 2024 and applies to seller-lessee. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16. Earlier application is permitted, and that fact must be disclosed. The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's financial statements.

5. Revenue

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

Revenue from Contracts with Customer	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
Passenger/aircraft handling	9,730,395	4,351,312	9,425,318	4,078,635
Cargo handling (Import Cargo)	4,756,022	4,495,718	4,427,795	4,194,685
Cargo handling (Export Cargo)	602,143	571,357	602,143	571,357
	15,088,560	9,418,387	14,455,256	8,844,677
Revenue other than from contracts with customers				
Leasing / Disinfection, other services	776,059	336,492	776,059	336,492
Equipment rental and maintenance	843,307	477,795	843,307	477,795
	1,619,366	814,287	1,619,366	814,287
Total revenue	16,707,926	10,232,674	16,074,622	9,658,964

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

5. Revenue - continued

Revenue from Contracts with Customer - continued

Cargo Handling: These include invoices raised for; cargo documentation services for airlines, import and export cargo facilitation through Nigeria's biggest network of customs bonded warehouses in Lagos, Kano, Abuja, Port-Harcourt and Enugu, using Galaxy computerisation system, which ensures safe storage and easy retrieval of cargoes.

Equipment rental and maintenance: The group leases its equipment to airlines for services that are not covered in the Standard Ground Handling Agreement.

Leasing: The company is into the leasing of properties and heavy-duty equipment to different Airline companies

- b. Ten major customers contributed N10.97billion (2021: N2.33billion) towards the revenue of the Group.

6. Other income

	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
Rental income from investment property (Note 30)	208,633	72,351	208,633	72,351
Sundry income**	62,127	104,762	58,962	40,492
Foreign exchange difference	-	22,566	-	22,566
Profit on disposal of property, plant and equipment	37,050	63,333	37,050	63,333
Income from training services	1,480	5,070	1,480	5,070
Provision no longer required	41,663	-	41,663	-
	-----	-----	-----	-----
	350,953	268,082	347,788	203,812
	=====	=====	=====	=====

** Sundry income relates to commission received, agents' registration fees and insurance claims.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

7. Finance income and expense calculated using effective interest method

	Group		Company	
	Dec-22 ₦'000	Dec-21 ₦'000	Dec-22 ₦'000	Dec-21 ₦'000
Finance income:				
Interest income on fixed & bank deposits	79,721	51,391	79,721	51,391
Interest income on Treasury bills	-	7,940	-	7,940
	-----	-----	-----	-----
	79,721	59,331	79,721	59,331
	-----	-----	-----	-----
Interest on lease liabilities (Note 28a)	177,391	187,096	167,716	177,113
	-----	-----	-----	-----
Finance costs	177,391	187,096	167,716	177,113
	-----	-----	-----	-----
Net finance costs	(97,669)	(127,765)	(87,994)	(117,782)
	=====	=====	=====	=====

The above finance income and expenses relate to transactions on financial assets and liabilities through statement of profit or loss and other comprehensive income.

8. Taxation

a. The tax charge for the period comprises:

	Group		Company	
	Dec-22 ₦'000	Dec-21 ₦'000	Dec-22 ₦'000	Dec-21 ₦'000
Company income tax	623,340	190,142	587,279	189,391
Police Trust Fund	224	29	218	29
NASENI Fund Expense	2,762	-	2,762	-
Education tax	134,410	47,352	131,258	47,351
Prior year under provision	245,430	5,427	194,441	5,427
	-----	-----	-----	-----
	1,006,166	242,950	915,958	242,198
Deferred tax (Note 8c)	162,501	(89,710)	154,783	(79,104)
	-----	-----	-----	-----
	1,168,667	153,240	1,070,741	163,094
	=====	=====	=====	=====

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

8. Taxation - continued

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

	Group		Company	
	Dec-22 ₦'000	Dec-21 ₦'000	Dec-22 ₦'000	Dec-21 ₦'000
At 1 January	961,665	782,670	957,758	745,803
Charge for the year (Note 8a)	1,006,166	242,950	915,948	242,198
Payments made during the year	(603,907)	(58,572)	(562,060)	(30,243)
Withholding tax offset	(570,962)	(5,383)	(570,952)	-
At 31 December	<u>792,962</u>	<u>961,665</u>	<u>740,704</u>	<u>957,758</u>

Reconciliation between tax expense and the product of accounting profit for the year ended 31 December 2022 is as follows:

	Group		Company	
	2022 ₦'000	2021 ₦'000	2022 ₦'000	2021 ₦'000
Accounting profit before income tax	3,735,410	924,855	3,618,614	742,824
At Nigeria's statutory income tax rate of 30% (2021: 30%)	1,120,635	277,457	1,085,584	222,847
Education tax	134,410	47,352	131,258	47,351
Balancing charge	11,115	-	11,115	-
Non-deductible expenses	511,991	382,781	506,325	382,781
Non-taxable income	(30,818)	(37,403)	(27,934)	(37,403)
Under provision in the previous year	245,430	5,427	194,441	5,427
Capital Allowance unabsorbed	(827,070)	(413,181)	(833,028)	(457,938)
Police Trust Fund	224	29	218	29
NASENI fund	2,762	-	2,762	-
Income tax expense reported in the profit or loss	<u>1,168,667</u>	<u>153,240</u>	<u>1,070,741</u>	<u>163,094</u>
Effective tax rate (%)	<u>31</u>	<u>14</u>	<u>30</u>	<u>22</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

8. Taxation - continued

c. The movement on the deferred tax liability during the year was as follows:

	Group		Company	
	Dec-22 ₦'000	Dec-21 ₦'000	Dec-22 ₦'000	Dec-21 ₦'000
At 1 January	715,706	805,416	725,164	804,268
Charge/(Credit) for the year (Note 8a)	162,501	(89,710)	154,783	(79,104)
At 31 December	878,207	715,706	879,947	725,164

Group	Statement of Financial Position		Statement of Comprehensive Income	
	2022 ₦'000	2021 ₦'000	2022 ₦'000	2021 ₦'000
Property, plant and equipment	2,012,800	1,706,945	305,855	34,927
Unrealised exchange gain	(69,652)	(102,214)	32,562	(19,650)
Capital Allowance unutilized	(409,204)	(501,645)	92,442	(120,024)
Financial asset impairment	(288,748)	(222,509)	(66,239)	33,554
Right of use	210,393	212,857	(2,464)	(16,061)
Lease Liability	(352,050)	(358,445)	6,395	16,827
Provision for share of profit	(222,870)	(16,820)	(206,050)	(16,820)
Stock adjustment provision	(2,463)	(2,463)	-	(2,463)
Deferred tax expense/(credit)			162,501	(89,710)
Deferred tax liabilities	878,207	715,706		

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

8. Taxation - continued

Deferred tax relates to the following:

Company	Statement of Financial Position		Statement of Comprehensive Income	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Property, plant and equipment	2,012,800	1,703,404	309,396	36,070
Unrealised exchange gain	(69,646)	(93,456)	23,810	(36,677)
Capital Allowance unutilized	(412,388)	(510,403)	98,014	(102,819)
Financial asset impairment	(286,468)	(209,511)	(76,958)	43,041
Right of use	210,394	212,857	(2,463)	(14,826)
Lease Liability	(352,050)	(358,445)	6,395	15,390
Provision for share of profit	(220,231)	(16,820)	(203,411)	(16,820)
Stock adjustment provision	(2,463)	(2,463)	-	(2,463)
	-----	-----	-----	-----
Deferred tax expense/(credit)			154,783	(79,104)
			=====	=====
Deferred tax liabilities	879,947	725,163		
	=====	=====		

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

9. a. Operating costs

	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
Payroll	5,036,730	4,041,326	5,031,719	4,005,791
Local travels	2,236	1,035	1,886	1,035
Depreciation, amortization (Note 9d)	810,953	892,348	792,873	885,060
Diesel	490,924	200,000	490,272	200,000
Oil, motor repairs & fuel expenses	78,155	65,650	78,105	64,969
Trainings (internal and external)	114,952	74,134	112,125	73,203
Outstation and estacode allowances	28,484	12,660	28,286	12,310
Air ticket (local and foreign)	16,328	3,914	15,914	3,537
Other security expenses	23,270	-	23,270	-
Machineries and equipment spares	281,887	196,642	281,887	160,642
Boots, helmets, ear muff etc.	75,247	74,439	75,247	44,633
Computer consumables and network	39,216	19,634	29,193	19,003
Electricity	58,229	94,947	57,724	93,759
Insurance	99,552	82,461	97,940	80,499
Printing and stationeries	20,480	30,246	19,228	29,157
Subscriptions	64,766	38,895	63,071	38,191
Relocation expenses (staff & equipment)	150,800	145,219	145,777	60,044
Office and warehouse maintenance	103,012	69,092	102,881	68,967
Aircraft Disinfectant costs	29,044	14,261	29,044	14,261
Staff uniform	110,072	12,678	94,344	12,678
Concession expenses*	847,769	510,662	847,769	510,662
Short term lease	124,369	32,093	124,369	27,650
Other operating costs (Note 9ai)	550,640	276,701	412,780	253,878
	9,157,117	6,889,038	8,955,704	6,695,929
	=====	=====	=====	=====

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

	Group		Company	
	22-Dec	21-Dec	22-Dec	21-Dec
'ai Other Operating Costs:				
	₦'000	₦'000	₦'000	₦'000
Cleaning & fumigation	752	3,354	752	3,354
Clearing charges	54,233	33,139	54,233	23,139
Office plant, equipment, fittings and Value-added service expense	58,176	6,341	7,273	5,740
Postages, telex, newspaper and periodicals	18,995	1,663	18,995	15,652
Office Rent	13,658	102,168	13,658	98,168
Hotel accommodation	7,600	7,574	7,600	7,574
Motor running expenses and vehicles license	30,153	12,511	26,930	12,511
Consumables	103,904	25,711	66,043	24,211
Staff uniform	13,558	-	13,558	-
Maintenance	15,881	9,500	15,881	7,500
Year-end gifts	134,046	36,829	131,646	35,329
License renewals	3,823	2,980	600	2,980
Others	95,861	34,931	55,610	17,719
	-----	-----	-----	-----
	550,640	276,701	412,780	253,878
	=====	=====	=====	=====

* Concession expenses is a percentage of revenue based on concession agreement reached with Federal Airport Authority of Nigeria (FAAN).

** Others consist of water and Hajj expenses.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

9. b. Administrative expenses:

	Group		Company	
	Dec-22	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'000
Payroll costs	1,543,987	1,017,753	1,425,929	936,572
Directors' remuneration	84,062	40,451	80,562	38,250
Board expenses	324,511	262,142	296,637	232,165
Local travels	-	2,983	-	1,550
Depreciation/amortization (Note 9d)	171,595	171,165	163,231	147,110
Diesel, oil motor repairs and fuel expenses	-	30,027	-	28,043
Trainings (internal and external)	80,403	89,275	74,888	88,335
Outstation and estacode allowances	99,717	23,352	89,006	20,171
Hotel accommodation	34,481	35,021	29,459	35,021
Air ticket (local and foreign)	120,935	9,490	112,413	8,897
Outsourced security	55,688	50,576	49,216	49,676
Other security expenses*	39,921	36,307	33,460	35,075
Machineries and equipment spares	-	1,739	-	1,739
Boots, Helmets, ear muff etc.	-	25,078	-	24,097
Computer consumables and network	88,536	41,368	75,165	39,081
Electricity	46,831	41,086	41,314	41,086
Insurance	20,925	16,870	15,434	15,900
Printing and stationeries	17,620	35,545	12,117	34,092
Audit fees	20,000	18,000	20,000	14,000
Office and warehouse maintenance	108,521	38,130	95,531	37,798
Filing, company secretariat Fees	-	6,987	-	6,987
Advertisement	9,946	6,605	8,356	6,605
Corporate social responsibility and Corporate gifts	73,779	32,079	68,757	31,774
Public relations, business promotion and Business development	162,330	194,797	159,089	183,497
Subscriptions	89,293	47,523	84,430	47,523
Foreign exchange difference	112,755	-	218,999	-
Professional fees (Note 9bii)	109,890	92,677	105,777	91,924
Other administrative expenses (Note 9bi)	308,563	189,348	261,781	142,729
	3,724,289	2,556,374	3,521,551	2,339,697
	=====	=====	=====	=====

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

9. b. Administrative expenses - Continued

9. b. i. Other administrative expenses:

	Group		Company	
	22-Dec N'000	21-Dec N'000	22-Dec N'000	21-Dec N'000
Cleaning & Fumigation	41,771	23,486	41,692	23,486
Other Motor Running Expenses	8,876	6,227	6,723	5,398
Office Plant, Equipment & Fittings	5,900	7,124	5,741	7,124
Telephone	46,927	35,461	41,314	34,809
Staff Uniform & Overall	17,326	25,529	12,304	25,529
Entertainment	22,584	14,517	16,841	14,092
Postages, Telex, Newspaper & Periodicals	8,899	2,635	3,878	2,611
Consumables	28,987	7,185	22,075	6,447
Utilities-other	-	1,970	-	1,076
Bank Charges	25,468	16,987	23,914	16,507
Clearing Charges	806	323	556	323
Donations	16,267	3,640	16,267	3,640
Others	84,752	44,264	70,476	1,687
	-----	-----	-----	-----
	308,563	192,267	262,139	186,001
	=====	=====	=====	=====

*Other security expenses consist of FAAN securities and access fees

*** Other expenses consist of donations, visa, training and logistics.

9. b. ii. Professional fees are analyzed as follows.

	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
Consulting fees	78,806	18,403	74,693	17,650
Registrar's fees	16,843	13,333	16,843	13,333
Legal fees	14,241	60,941	14,241	60,941
	-----	-----	-----	-----
	109,890	92,677	105,777	91,924
	=====	=====	=====	=====

Ernst and Young rendered other service such as trainings on IFRS 9, IFRS 10 and IFRS 16 besides the provision of audit service to the Group, with a total fee of N3.5 million.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

9c. Expected credit losses/(write-back)	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
Expected credit losses/(write-back) on trade receivables (Note 31)	253,532	(12,970)	254,742	(45,056)
Expected credit loss/(write-back) on intercompany (Note 21a)	357	-	357	(3,978)
Expected credit losses/(write-back) on short term deposit (Note 22a)	(3,752)	5,348	(3,807)	5,232
Expected credit losses/ (write-back) treasury bill (Note 22c)	(12,745)	10,346	(12,745)	10,346
	<u>237,392</u>	<u>2,724</u>	<u>238,547</u>	<u>(33,456)</u>
	=====	=====	=====	=====

	Group		Company	
9d. Depreciation and Amortization	N'000	N'000	N'000	N'000
Depreciation of property, plant and equipment (Note 11)	913,422	909,299	891,514	886,607
Amortisation of intangible assets (Note 14)	6,833	13,588	6,746	13,503
Depreciation of investment property (Note 15)	10,319	82,639	10,319	82,639
Depreciation of right-of-use asset (Note 12&13)	51,974	57,987	47,524	49,421
	<u>982,548</u>	<u>1,063,513</u>	<u>956,103</u>	<u>1,032,170</u>
	=====	=====	=====	=====
Depreciation and amortization allocation:				
Operating Costs	810,953	892,348	792,872	885,060
Administrative expenses	171,595	171,165	163,231	147,110
	<u>982,548</u>	<u>1,063,513</u>	<u>956,103</u>	<u>1,032,170</u>
	=====	=====	=====	=====

10. Basic earnings per share

The calculation of basic earnings per share at 31 December 2022 was based on the earnings attributable to ordinary shareholders of Group of N2,658.3billion (2021: N743.19million) (Company: 2022: N2.548 billion and 2021: N579.73million) and on ordinary shares of 1,949,062,200 (2021: 1,624,218,500) of 50k each being the average number of ordinary shares in issue during the year.

	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
Profit attributable to ordinary shareholders	2,658,158	743,189	2,547,873	579,730
	=====	=====	=====	=====
Average number of ordinary shares	1,949,062	1,949,062	1,949,062	1,949,062
Basic/diluted earnings per share (Kobo)	136	38	131	30
	=====	=====	=====	=====

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

11. Property, Plant and Equipment – Group

	Land ₦'000	Building ₦'000	Plant & Machinery ₦'000	Motor Vehicles ₦'000	Computer Equipment ₦'000	Furniture & Equipment ₦'000	Capital W/P ₦'000	Total ₦'000
GROUP COST:								
At 1 January 2021	50,218	3,345,851	9,677,865	574,801	1,581,024	525,651	47,686	15,803,096
Additions	-	14,521	372,177	15,049	16,188	24,898	20,834	463,667
Disposals	-	-	(250,308)	-	-	(2,552)	-	(252,860)
Transfer	-	19,725	-	-	-	-	(19,725)	-
Write-off	-	-	-	-	-	-	(2,260)	(2,260)
At 31 December 2021	50,218	3,380,097	9,799,734	589,850	1,597,212	547,997	46,535	16,011,643
Additions	-	6,817	68,173	439,309	49,750	68,111	731,600	1,363,760
Write-off	-	(1,306)	(18,765)	-	(2,163)	(2,773)	-	(25,007)
Disposals	-	-	(356,880)	(142,795)	(153)	(1,194)	-	(501,022)
Transfer/reclassification	(50,218)	(12,542)	421,592	-	28,266	(9,503)	11,325	388,920
At 31 December 2022	-	3,373,066	9,913,854	886,364	1,672,912	602,638	789,460	17,238,294
DEPRECIATION:								
At 1 January 2021	8,906	611,170	5,607,198	436,213	1,391,613	460,044	-	8,515,144
Charge for the year	1,000	75,122	668,146	74,007	56,841	34,024	-	909,140
Disposals	-	-	(249,732)	-	-	(2,461)	-	(252,193)
At 31 December 2021	9,906	686,292	6,025,612	510,220	1,448,454	491,607	-	9,172,091
Charge for the year	1,000	63,330	631,769	99,875	82,448	35,000	-	913,422
Write-off	-	(26)	(1,527)	-	(458)	(768)	-	(2,779)
Disposals	-	-	(334,125)	(119,372)	(143)	(1,011)	-	(454,651)
Transfer	(10,906)	(2,362)	3,174	-	484	(1,296)	-	(10,906)
At 31 December 2022	-	747,234	6,324,903	490,723	1,530,785	523,532	-	9,617,177
NET BOOK VALUE:								
At 31 December 2022	-	2,625,832	3,588,951	395,641	142,127	79,106	789,460	7,621,117
At 31 December 2021	40,310	2,693,805	3,774,435	79,453	148,870	56,389	46,534	6,839,798

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

11. Property, plant and equipment – Company

	Land	Building	Plant & Machinery	Motor Vehicles	Computer Equipment	Furniture & Equipment	Capital WIP	Total
COST:	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At 1 January 2021	50,218	3,257,736	8,868,313	534,801	1,565,339	467,920	47,686	14,792,013
Additions	-	14,521	369,805	15,049	14,034	24,808	20,834	459,051
Disposal	-	-	(250,308)	-	-	(2,552)	-	(252,860)
Transfer	-	19,725	-	-	-	-	(19,725)	-
Write-Off	-	-	-	-	-	-	(2,260)	(2,260)
At 31 December 2021	50,218	3,291,982	8,987,810	549,850	1,579,373	490,176	46,535	14,995,944
Additions	-	6,817	68,174	439,309	45,868	65,207	731,600	1,356,975
Reclassified	-	(1,306)	(18,765)	-	(2,163)	(2,773)	-	(25,007)
Disposal	-	-	(356,880)	(142,795)	(153)	(683)	-	(500,511)
Transfer	(50,218)	(12,542)	421,592	-	28,266	(9,504)	11,325	388,920
At 31st December 2022	-	3,284,951	9,101,931	846,364	1,651,191	542,423	789,460	16,216,320
DEPRECIATION:								
At 1 January 2021	8,908	602,530	4,822,823	413,183	1,378,241	433,888	-	7,659,573
Charge for the year	1,000	73,360	661,582	67,463	54,967	28,235	-	886,607
Disposals	-	-	(249,732)	-	-	-	(2,461)	(252,193)
At 31 December 2021	9,908	675,890	5,234,673	480,646	1,433,208	459,662	-	8,293,987
Charge for the year	1,000	61,567	626,377	93,332	80,396	28,842	-	891,514
Disposals	-	-	(334,125)	(119,374)	(143)	(648)	-	(454,290)
Reclassified	-	(26)	(1,638)	-	(458)	(769)	-	(2,891)
Transfer	(10,908)	(2,362)	3,174	-	484	(1,181)	-	(10,793)
At 31 December 2022	-	735,069	5,528,461	454,604	1,513,487	485,906	-	8,717,527
NET BOOK VALUE:								
At 31 December 2022	-	2,549,882	3,573,470	391,760	137,704	56,517	789,460	7,498,793
At 31 December 2021	41,310	2,616,092	3,749,832	68,986	146,187	34,015	46,534	6,701,958

i. None of the items of PPE has been pledged for securities for liabilities during the year. (2021 : Nil)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

11. Property, plant and equipment – Continued

- ii. Capital work-in-progress represents cost incurred till date on the construction of Lagos export center and re implementation of Oracle and IBM lotus as at 31 December 2022.
- ii. Write off: This represents costs that have been capitalized as part of asset which did not meet capitalization criteria in line with IAS 16.
- ii. Transfers/reclassification: This consist of N50.218 million leasehold land transferred to right-of-use asset and reclassification of assets from one class of asset to another (Buildings and Furniture & equipment to plant & machinery and computer equipment) due to wrong classification. In addition, item of property, plant and equipment worth N538.048 million were also transferred from Deposit for property, plant and equipment to plant & machinery (N421.592 million), computer equipment (N28.266 million) and capital work-in-progress (N110.236 million) during the year.

12. Right-of-use assets- Group

	Building N'000	Leasehold land N'000	Total N'000
Cost;			
At 1 January 2021	903,637	-	903,637
	-----	-----	-----
At 31 December 2021	903,637	-	903,637
Transfer	-	50,218	50,218
	-----	-----	-----
At 31 December 2022	903,637	50,218	953,855
	-----	-----	-----
Depreciation			
At 1 January 2021	141,652	-	141,652
Charge for the year	57,987	-	57,987
	-----	-----	-----
At 31 December 2021	206,084	-	206,084
Charge for the year	51,974	-	51,974
Transfer	-	10,906	10,906
	-----	-----	-----
At 31 December 2022	258,058	10,906	268,964
	=====	=====	=====
Net Book Value			
31 December 2022	645,579	39,312	684,891
	=====	=====	=====
31 December 2021	697,553	-	697,553
	=====	=====	=====

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

13. Right-of-use asset- Company

	Building ₦'000	Leasehold land ₦'000	Total ₦'000
Cost;			
At 1 January 2021	894,987	-	894,987
At 31 December 2021	894,987	-	894,987
Transfer	-	50,218	50,218
At 31 December 2022	894,987	50,218	945,205
Depreciation:			
At 1 January 2021	136,042	-	136,042
Charge for the year	49,421	-	49,421
At 31 December 2021	185,463	-	185,463
Charge for the year	47,524	-	47,524
Transfer	-	10,906	10,906
At 31 December 2022	232,987	10,906	243,893
Net Book Value			
31 December 2022	662,000	39,312	701,312
31 December 2021	709,524	-	709,524

14. Intangible assets

	Group		Company	
	Dec-22 ₦'000	Dec-21 ₦'000	Dec-22 ₦'000	Dec-21 ₦'000
Cost:				
At 1 January	441,756	441,756	347,284	347,284
Additions	-	-	-	-
At 31 December	441,756	441,756	347,284	347,284
Amortization:				
At 1 January	324,169	310,582	324,000	310,497
Amortization for the year	6,833	13,587	6,746	13,503
At 31 December	331,002	324,169	330,746	324,000
Carrying amount:				
At 31 December	110,754	117,587	16,539	23,284

- None of the items of Intangible asset has been pledged for securities for liabilities during the year. (2021; Nil)
- Intangible asset consist of Oracle ERP, Hemes, Windows and Galaxy applications

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

15. Investment property

	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
Cost:				
At 1 January	418,416	172,640	418,416	172,640
Additions	1,306	245,776	1,306	245,776
	-----	-----	-----	-----
At 31 December	419,722	418,416	419,722	418,416
	-----	-----	-----	-----
Depreciation:				
At 1 January	121,969	39,330	121,969	39,330
Charge for the year	10,319	82,639	10,319	82,639
	-----	-----	-----	-----
At 31 December	132,288	121,969	132,288	121,969
	=====	=====	=====	=====
Carrying amounts				
At 31 December	287,434	296,447	287,434	296,447
	=====	=====	=====	=====

The fair value of the investment property at 31 December 2022 was N687.4million (2021: N676m). Total rental revenue from the investment property for the year ended 31 December 2022 was N208.633million (2021: N72.351million). The fair value of the properties are based on valuation performed by Jide Taiwo & Co., accredited independent valuers. (FRC/12/0000000000254) with their staff lead valuer in person of Mr. Akinola Toheeb (FRC/2022/PRO/NIESV/004/362480) is a renowned specialist in valuing these types of investment properties.

	Dec-22 N'000	Dec-21 N'000
Total Rental income from investment properties**	208,633	72,351
Direct operating expenses (including repairs and maintenance) generating rental income (included in cost of sales)	(10,319)	(11,165)
	-----	-----
Profit arising from investment properties	198,314	61,186
	=====	=====

** This increased by N136.282 million (188%) in comparison with 2021 rental income from investment property. The increase is due to more office spaces being taking up by tenants as against 2021 when the complex is going through major renovations and maintenance with few office spaces occupied by tenants.

The group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are in Note 34.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

16. Investment in subsidiaries

	Dec-22 N'000	Dec-21 N'000
Shares in subsidiaries:		
Nahco FTZ Limited	10,000	10,000
Nahco Energy and Infrastructure Limited	25,500	25,500
Mainland Cargo Options Ltd	4,000	4,000
	-----	-----
	39,500	39,500
	=====	=====

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

i. NAHCO FTZ Limited

The company holds N10million ordinary shares of N1 each in this subsidiary, representing 100 percent of the issued share capital of N10million. The principal activity of this subsidiary is the management and operation of Free Trade Zone which includes leasing of plant and equipment, logistics, warehousing, transshipment, manufacturing and provision of related services. NAHCO FTZ was granted approval to operate at the Murtala Mohammed International Airport, Lagos as NFZ by the Nigerian Export Processing Zone Authority (NEPZA) in February 2014 and the applicable fees have been paid. The company has since commenced activities towards making the zone operational.

ii. NAHCO Energy and Infrastructure Limited

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

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

iii. Mainland Cargo Options Limited

The company holds 4million ordinary shares in the subsidiary representing 40% of the issued share capital of N10Million. The remaining 60% are owned by Nahco Energy and Infrastructure Limited. Consequently, the Group has 77.8% interest in Mainland Cargo Options Limited. In addition, the business strategy, operations and the board of the Company are under the control of Nigerian Aviation Handling Company Plc. The company is into cargo logistics and started operations.

Disclosure of Entity with Non-Controlling Interest within the Group

Summary of financial position

and performance of Mainland Cargo Options

Limited as at 31 December 2022 is as shown below:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

16. Investment in subsidiaries - continued

iii. Mainland Cargo Options Limited - continued

Proportion of equity interests held by non-controlling interests	"Country of incorporation and Operation"	22.20%	22.20%
Mainland Cargo Options Limited	Nigeria	31/12/2022 ₦'000	31/12/2021 ₦'000
Non-current assets		13,119	27,750
Current assets		418,434	291,385
Total assets		431,553	319,135
Total equity		272,967	158,879
Non-controlling interest		-	59,015
Non-current liabilities		1,740	35,604
Current liabilities		160,325	65,637
Total equity and liabilities		431,553	319,135
Summarized Statement of comprehensive income		31/12/2022 ₦'000	31/12/2021 ₦'000
Revenue		328,226	301,033
Profit		69,889	127,469
Profit attributable to the owners of the company		54,304	101,241
Profit attributable to the non-controlling interests		15,585	26,228
Other Comprehensive income		-	-
Total Comprehensive income		69,889	127,469
Summary of Cashflow			
Net cashflow from operating activities		-	-
Net cashflow used in investing activities		(3,799)	(654)
Net cashflow from/(used in) financing activities		-	124,716

Nahco Energy and Infrastructure Limited has not commenced operations. Hence, its summary financial statements are not provided.

17. Other current assets

	Group		Company	
	Dec-22 ₦'000	Dec-21 ₦'000	Dec-22 ₦'000	Dec-21 ₦'000
Other current assets comprise of:				
Bond repayment:				
At 1 January	-	532	-	532
Interest income on bond	-	-	-	-
Other bond charges	-	-	-	-
Additions during the year	-	-	-	-
	-	532	-	532
Interest distributions	-	-	-	-
Periodic liquidation on Principal - Tranche 2	-	(532)	-	(532)
At 31 December	-	-	-	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

18. Inventories

	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
Spare parts	321,717	182,968	321,717	182,968
Stationeries/medical	53,497	57,867	53,497	57,867
Diesel	74,251	47,672	74,251	47,672
	-----	-----	-----	-----
	449,465	288,507	449,465	288,507
	=====	=====	=====	=====

Inventories recognized as an expense during 2022 amount to N77.3million (2021: N99.43million). This is recognized in operating costs. N43.32million was recognized for inventory write down during the year (2021: N36 million). None of the items of Inventories has been pledged for securities for liabilities during the year. (2021; Nil)

19. Prepayments

	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
Prepayments comprise:				
Deposit for property, plant and equipment	1,596,963	1,929,310	1,343,964	1,733,117
Prepaid insurance	42,490	109,056	40,792	107,251
Prepaid Stock*	10,772	154,368	10,775	154,366
Others**	153,071	49,594	127,037	27,697
	-----	-----	-----	-----
	1,803,296	2,242,328	1,522,568	2,022,431
	=====	=====	=====	=====

*This represents advance payment for assets related item that are yet to be delivered, as at end of the year.

** others: this include advance payment for services that yet to be enjoyed by the entity as at year-end such as HMO, annual dues, etc.

20. Trade and other receivables

	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
Trade and other receivables comprise:				
Trade receivables (Note 31)	4,262,665	2,324,376	3,966,245	2,141,863
Less Allowance for expected credit losses (Note31)	(951,196)	(737,495)	(941,045)	(686,303)
	-----	-----	-----	-----
	3,311,469	1,586,881	3,025,200	1,455,560
Withholding tax receivable	898,499	1,087,110	856,437	1,059,682
Other receivables	651,376	374,311	643,660	377,065
	-----	-----	-----	-----
	4,861,344	3,048,302	4,525,297	2,892,307
	=====	=====	=====	=====

Trade receivables are invoices on ground handling services issued to customers net of taxes and allowance for expected credit losses on the debts. The group's credit policy allows a 30-day credit period for all its customers.

Other receivables consist of advances to staff for routine services to be carried out. This is to be retired within fourteen (14) days or on the completion of projects.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

20. i. Summary of financial and non-financial assets:

Financial assets	3,962,845	1,961,192	3,668,860	1,832,625
Non-financial asset	898,499	1,087,110	856,437	1,059,682
	-----	-----	-----	-----
	4,861,344	3,048,302	4,525,297	2,892,307
	=====	=====	=====	=====

21. Intercompany receivables

Company

	Dec-22 N'000	Dec-21 N'000
Nahco FTZ Limited	199,988	181,014
NAHCO Energy and Infrastructure Limited	420,760	420,760
Mainland Cargo Options	19,366	19,366
	-----	-----
	640,114	621,140
Less allowance for expected credit loss (Note 21 a)	(12,221)	(11,864)
	-----	-----

21. a. Allowance for expected credit losses of Intercompany receivables

	Dec-22 N'000	Dec-21 N'000
At 1 January	11,864	15,842
Credit losses expenses /(write-back) (Note 9c)	357	(3,978)
	-----	-----
At 31 December	12,221	11,864
	=====	=====

Intercompany receivables are funding assistance provided to subsidiaries to finance operations. The fund is repayable on demand and attracts no interest. Intercompany receivables are eliminated in the consolidated financial statements of the Group.

21. b. Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

		Payments on behalf of related parties N'000	Rent/ service charge N'000	Amounts due from related parties N'000
Nahco FTZ Limited	2022	-	199,988	199,988
	2021	-	181,014	181,014
NAHCO Energy and Infrastructure Limited	2022	420,760		420,760
	2021	420,760	-	420,760
Mainland Cargo Options	2022	19,366		19,366
	2021	19,366	-	19,366

Nature of related party transactions

Intercompany receivables are payments made on behalf of the subsidiaries. The subsidiaries have been informed and the company expects to get value from the subsidiaries.

Intercompany receivables are eliminated in the consolidated financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

21. b. Related party transactions - continued

Parent

The ultimate controlling party of the Group is Nigerian Aviation Handling Company Plc (nahco aviance). The company acquired a 100% stake in a Subsidiary, NAHCO FTZ and a 63% and 40% stake in the second and third subsidiaries; NAHCO Energy and Power and MCO respectively.

Key Management Personnel (KMP)

Key management personnel are those who have authority and responsibility for planning, directing and controlling activities in the Group either directly or indirectly. These include:

1. Executive Directors
2. Non- Executive Directors
3. Management team that implements Board strategies by Board delegated authority
4. Key Management Personnel of the Company's subsidiaries: NAHCO NFZ, NAHCO Energy and Power and Mainland Cargo Options Ltd.

Transactions with key management personnel

There were no transactions with key management personnel or their close family members in the year ended 31 December 2022 (2021 : Nil).

Loans to Directors

The group did not lend money to any of its Directors during the year under review (2021: None).

Payments on behalf of key management personnel (KMP):

There were no payments made on behalf of the KMPs during the year ended 31 December 2022. (2021: Nil)

Key management personnel compensation:

Variable pay (Bonuses) applicable to Executive Directors during the year is a total of N30 million (2021: N17million) and is deferred subject to performance conditions of the Group and individuals.

Key management personnel comprised:

	Group		Company	
	2022	2021	2022	2021
Aggregate No. of persons- Snr Mgt.10	10	7	7	
Aggregate No. of persons- Non-Exec. Directors.	10	10	9	9
	----	----	----	----
Total	20	20	16	16
	====	====	====	====

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Short-term employee benefits- Fixed	208,453	149,069	192,731	136,321
Short-term employee benefits- Variable	51,087	41,856	44,397	33,960
	-----	-----	-----	-----
Total	259,540	190,925	217,128	170,281
	=====	=====	=====	=====

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

21. b. Related party transactions - continued

Transactions with other related party

The following are the related parties of the Group;

1. Key management personnel of NAHCO Plc and close members of their families.
2. Key management personnel of the subsidiaries, NAHCO FTZ, NAHCO Energy and MAINLAND CARGO OPTIONS.
3. Entities controlled by the above or where they have significant influence.

Entity with control by the Company

NAHCO FTZ Limited

NAHCO Energy and Infrastructure Limited

Mainland Cargo Options.

22. Cash and cash equivalents

	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
Bank and cash balances	1,542,263	671,491	1,505,513	535,937
Domiciliary accounts	597,046	227,458	205,347	223,137
Short term deposits (Note 32)	672,659	1,661,826	552,230	1,591,043
	-----	-----	-----	-----
	2,811,998	2,560,775	2,263,090	2,350,117
Allowances for Expected credit losses on Short-term deposits (Note 22a)	(1,837)	(5,589)	(1,628)	(5,435)
	-----	-----	-----	-----
Net cash and cash equivalents	2,810,161	2,555,186	2,261,462	2,344,682
	=====	=====	=====	=====

Included in short term deposits is the investment placement for unclaimed dividend as at 31 December 2022.

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

22a Allowances for expected credit losses of short-term deposits

	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
At 1 January	5,589	241	5,435	203
Credit loss (write-back)/expense (Note 9c)	(3,752)	5,348	(3,807)	5,232
	-----	-----	-----	-----
At 31 December	1,837	5,589	1,628	5,435
	=====	=====	=====	=====

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

22. b. Debt Instrument at Amortized costs

	Group		Company	
	Dec-22 ₦'000	Dec-21 ₦'000	Dec-22 ₦'000	Dec-21 ₦'000
At 1 January	368,628	485,032	368,628	485,032
Liquidation	(368,628)	(485,032)	(368,628)	(485,032)
Treasury Bill	-	368,628	-	368,628
	-----	-----	-----	-----
Gross amount	-	368,628	-	368,628
Allowances for expected credit losses on treasury bills	-	(12,745)	-	(12,745)
	-----	-----	-----	-----
At 31 December Federal Govt Treasury Bill (Net)	-	355,883	-	355,883
	=====	=====	=====	=====

This relates to the Group's investment in Federal Government of Nigeria treasury bills and issued by the Central Bank of Nigeria. The investment has matured during the year and the payment have been received.

22. c. Expected credit loss of debt instrument at amortized cost

	Group		Company	
	Dec-22 ₦'000	Dec-21 ₦'000	Dec-22 ₦'000	Dec-21 ₦'000
At 1 January	12,745	2,399	12,745	2,399
Credit losses (write-back) /expenses (Note 9c)	(12,745)	10,346	(12,745)	10,346
	-----	-----	-----	-----
At 31 December	-	12,745	-	12,745
	=====	=====	=====	=====

23. Share capital

	Group		Company	
	Dec-22 ₦'000	Dec-21 ₦'000	Dec-22 ₦'000	Dec-21 ₦'000
1,949,062,500 (2021: 1,624,218,500 called-up and fully paid ordinary shares of 50 kobo each	812,109	812,109	812,109	812,109
Bonus share of 1 for 5 unit at 50 kobo each	162,422	-	162,422	-
	-----	-----	-----	-----
	974,531	812,109	974,531	812,109
	=====	=====	=====	=====

The bonus shares was authorized for issue to all members on the company's register as at close of business on the 15th July 2022.

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

24. Share premium

	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
At 1 January	1,914,758	1,914,758	1,914,758	1,914,758
Bonus shares issue	(162,422)	-	(162,422)	-
At 31 December	1,752,336	1,914,758	1,752,336	1,914,758

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

25. Dividend proposed

The directors will propose dividend of N 1.20 kobo dividend for year ended 31 December 2022 at the next Annual General Meeting (2021: 41 kobo)

The dividend is subject to approval by the shareholders at the Annual General Meeting and will be subjected to withholding tax at appropriate rate. Consequently, it has not been included as a liability in these consolidated financial statements. Refer to Note 26b for details relating to dividend..

22. Retained earnings

	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
At 1 January	4,376,542	3,836,380	4,249,250	3,872,547
Dividend paid (Note 26b)	(665,930)	(203,027)	(665,930)	(203,027)
Total comprehensive income for the year	2,658,158	743,189	2,547,873	579,730
At 31 December	6,368,770	4,376,542	6,131,193	4,249,250

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

23. Changes in liabilities arising from financing activities

	1 January 2022 N'000	Dividend declared N'000	Cash flows N'000	31 December 2022 N'000
Dividend declared and paid	-	665,930	(665,930)	-
Unclaimed dividend	578,106	-	32,847	610,953
Total liabilities from financing activities	578,106	665,930	(633,083)	610,953
	1 January 2021 N'000	Dividend declared N'000	Cash flows N'000	31 December 2021 N'000
Dividend declared and paid	-	203,027	(203,027)	-
Unclaimed dividend	625,567	-	(47,461)	578,106
Total liabilities from financing activities	625,567	203,027	(250,488)	578,106

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

26. Retained earnings – Continued

26. c. Dividend Per share

	Group		Company	
	Dec-22 ₦'000	Dec-21 ₦'000	Dec-22 ₦'000	Dec-21 ₦'000
Dividend approved and paid	665,930	203,027	665,930	203,027
Number of shares in issue	1,949,062	1,624,218	1,949,062	1,624,218
Dividend Per share (kobo)	0.34	0.12	0.34	0.12

27. Non-controlling interests

Group

At 1 January
Share of current year profit

At 31 December

	Dec-22 ₦'000	Dec-21 ₦'000
At 1 January	(84,972)	(113,398)
Share of current year profit	15,585	28,426
At 31 December	(69,387)	(84,972)

This represents the portion of the minority shareholder in the called-up share capital of the subsidiary, Nahco Energy and Infrastructure Limited, together with their share of losses that are attributable to their proportion of the ordinary share capital.

28. Lease Liabilities-

Group

Cost

At 1 January
Accretion of interest
Interest payment
Principal payment

As at 31 December

	Building 2022 ₦'000	Building 2021 ₦'000
At 1 January	1,187,175	1,245,275
Accretion of interest	177,391	187,096
Interest payment	-	(57,268)
Principal payment	(200,805)	(187,928)
As at 31 December	1,163,761	1,187,175
Current	20,952	23,414
Non-current	1,142,809	1,163,761
	1,163,761	1,187,175

Company Cost

At 1 January
Accretion of interest
Interest payment
Principal payment

As at 31 December

	Building 2022 ₦'000	Building 2021 ₦'000
At 1 January	1,194,815	1,246,116
Accretion of interest	167,716	177,113
Interest payment	-	(89,829)
Principal payment	(189,030)	(189,585)
As at 31 December	1,173,501	1,194,815

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

28. Lease Liabilities - continued

	2022 N'000	2021 N'000
Current	18,742	21,314
Non-current	1,154,759	1,173,501
	-----	-----
	1,173,501	1,194,815
	-----	-----

The following are the amounts recognized in the profit or loss:

	2022 Group N'000	2022 Company N'000
Depreciation expense of right-of-use assets (Note 12 and 13)	51,974	47,524
Short term leases (9b)	124,369	124,369
Interest expense on lease liabilities (Note 7)	177,391	167,716
	-----	-----
Total Amount recognized in the profit or loss	353,734	339,609
	=====	=====

	2021 Group N'000	2021 Company N'000
Depreciation expense of right-of-use assets (Note 12 and 13)	57,987	49,421
Short term leases (9b)	32,093	27,650
Interest expense on lease liabilities (Note 7)	187,096	177,113
	-----	-----
Total Amount recognized in the profit or loss	277,176	254,18
	=====	=====

29. Trade and other payables

Trade and other payables comprise:

	Dec-22 N'000	Group Dec-21 N'000	Dec-22 N'000	Company Dec-21 N'000
Trade payables	1,522,002	2,059,662	1,462,933	2,017,233
Other payables (Note 29.1)	4,214,987	3,374,504	3,865,519	3,347,751
	-----	-----	-----	-----
	5,736,989	5,434,166	5,328,452	5,364,984
	=====	=====	=====	=====

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

29.1 Other payables

	Group		Company	
	Dec-22 ₦'000	Dec-21 ₦'000	Dec-22 ₦'000	Dec-21 ₦'000
Value Added Tax	283,356	352,282	283,356	350,266
Withholding Tax	126,243	92,004	126,243	87,980
Amount due to government agencies**	149,868	148,260	122,886	145,358
Concession fee: FAAN rental & service charge	819,747	756,030	819,747	756,030
Directors' retirement***	221,908	211,146	221,908	211,146
Industrial training fund	265,431	236,615	265,431	236,615
Staff participatory scheme****	263,738	59,687	263,738	59,687
Performance bonus *****	474,465	233,374	470,365	230,474
Unclaimed dividend (29.1.1)	610,953	578,106	610,953	578,106
Other accruals*	999,280	707,000	680,892	692,089
	----- 4,214,987 =====	----- 3,374,504 =====	----- 3,865,519 =====	----- 3,347,751 =====

* Other accruals include Provision for non-accident bonus, insurance claim payable, Provision for year-end gift, Provision for Legal fees, deposit for services, agent welfare fees etc.

** This represents PAYE payable to some states of the federation as well as FCT and the National Housing Scheme

*** This represents provision for Directors' retirement as approved by the Board.

**** This represents provision for Staff share of Profit for the year based on the company's hand book

***** This represents bonus payable to staff subject to performance conditions of the Company and its subsidiaries

Summary of financial and non-financial liability:

	Group		Company	
	Dec-22 ₦'000	Dec-21 ₦'000	Dec-22 ₦'000	Dec-21 ₦'000
Financial liabilities	5,327,390	4,989,880	4,918,853	5,026,738
Non-financial liabilities	409,599	444,286	409,599	338,246
	----- 5,736,989 =====	----- 5,434,166 =====	----- 5,328,452 =====	----- 5,364,984 =====

29.1.1 Unclaimed dividend

Unclaimed dividend amounting to N610.95 million (2021: N578.11 million) represents the funds returned to the Group by the Registrars. This amount has been invested by the Group. Any dividend not claimed/paid six months after the date of declaration is returned to the company by the Registrar, and this is recorded as liability in the books.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

30. Deferred income

	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
At 1 January	1,124,446	57,058	1,064,960	21,058
Rent received during the year	213,727	139,739	192,183	116,253
Amount released to the profit or loss(208,633)	(72,351)	(208,633)	(72,351)	
Nigeria Export Promotion council grant	-	1,000,000	-	1,000,000
	-----	-----	-----	-----
At 31 December	1,129,540	1,124,446	1,048,510	1,064,960
	=====	=====	=====	=====

The above represents majorly, rent received in advance from investment properties and warehouses

31. Allowance for expected credit losses expenses

The aging of trade receivables at the reporting date was:

	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
Current (1- 30 days)	1,699,426	866,162	1,705,110	818,099
31-90 days	378,335	287,570	287,570	57,292
91-180 days	828,799	174,735	704,713	119,354
More than 180 days	1,356,105	1,181,663	1,268,852	1,108,016
	-----	-----	-----	-----
	4,262,665	2,324,376	3,966,245	2,141,863
Expected credit loss (Note32)	(951,196)	(737,495)	(941,045)	(686,303)
	-----	-----	-----	-----
	3,311,469	1,586,881	3,025,200	1,455,560
	=====	=====	=====	=====

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

	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
At 1 January	737,495	844,903	686,303	825,797
Derecognition of asset	(39,831)	(107,408)	-	(139,494)
Allowance for expected credit losses	253,532	-	254,742	-
	-----	-----	-----	-----
At 31 December	951,196	737,495	941,045	686,303
	=====	=====	=====	=====

The expected credit loss on trade receivables were in respect of receivables for which the Group has determined that there are objective indicators of impairment. Impairment losses have been recognized based on the difference between the carrying amounts and the present value of the estimated future cash flows on these receivables. The Group holds no collateral in respect of its trade receivables. Expected credit loss on trade receivables is recognized in Statement of profit or loss and other comprehensive income.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

32. Financial Risk Management objectives and policies

Overview

The Group's principal financial liabilities comprise lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets include trade and other receivables, investments and cash and bank balances.

The Group has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Further quantitative disclosures are included throughout these financial statements.

32. 1a Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The sources of the Group's credit risk include trade receivables, intercompany receivables and deposits with banks and financial institutions and investments in debt instrument.

32. 1a. Trade receivables

Customer credit risk is managed by credit managers and management as a whole subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any deliveries to major customers are generally covered by valid customer order. Customer backgrounds are studied to avoid concentration risk.

Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis throughout the year, subject to approval of the Group's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The Group's maximum exposure to credit risk at the reporting date is the carrying value of each of class of financial assets disclosed below:

	Group		Company	
	Dec-22 N'000	Dec-21 N'000	Dec-22 N'000	Dec-21 N'000
Trade receivables	3,311,469	1,586,881	3,025,200	1,455,560
Other receivables	651,376	374,311	643,660	377,065
Bank and cash balances	1,542,263	671,491	1,505,513	535,937
Domiciliary accounts	597,046	227,458	205,347	223,137
Short term deposits	672,659	1,661,826	552,230	1,591,043
	-----	-----	-----	-----
	6,774,813	4,521,967	5,931,950	4,182,742
	=====	=====	=====	=====

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

32. Financial Risk Management objectives and policies - continued

1a. Trade receivables - continued

Trade receivables

For trade receivables, the Group applied the simplified approach in computing ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit loss (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

When trade receivables are uncollectible, it is written off as 'administrative expenses' in the profit or loss. Subsequent recoveries of amounts previously written off are included in other operating income.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

32. Financial Risk Management objectives and policies – Continued

Set out below is the information about the credit risk exposure on the Group's trade receivables as at 31 December 2022 using a provision matrix:

The Group 31 December 2022	Trade receivables							
	Current	1 - 30 days	31 - 90 days	91 - 120 days	121 - 180 days	181 - 360 days	After 360 days	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Expected credit loss rate	1.45%	1.46%	1.83%	2.43%	2.97%	3.67%	100.00%	
Estimated total gross carrying amount at default	1,453,820	245,606	378,335	212,323	616,476	477,458	878,647	4,262,665
Expected credit losses	21,117	3,586	6,840	5,149	18,326	17,531	878,647	951,196
The Company								
31 December 2022								
	Current	1 - 30 days	31 - 90 days	91 - 120 days	121 - 180 days	181 - 360 days	After 360 days	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Expected credit loss rate	1.06%	4.32%	1.56%	2.82%	2.39%	4.45%	100.00%	
Estimated total gross carrying amount at default	1,463,349	241,761	287,570	153,564	551,149	393,245	875,607	3,966,245
Expected credit loss	15,522	10,449	4,484	4,335	13,164	17,484	875,607	941,045

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

32. Financial Risk Management objectives and policies – Continued

32. Financial Risk Management objectives and policies – Continued

The Group 31 December 2021	Trade receivables							
	Current	1 - 30 days	31 - 90 days	91-120 days	121 – 180 days	181-360 days	After 360 days	Total
Expected credit loss rate	0.82%	1.21%	4.18%	4.84%	9.7%	13.28%	68.33%	
Estimated total gross carrying amount at default	651,463	214,699	101,816	77,870	96,865	279,471	902,192	2,324,376
Expected credit losses	15,684	5,081	2,424	1,873	4,184	10,382	697,867	737,495
The Company								
31 December 2021								
	Current	1 - 30 days	31 - 90 days	91-120 days	121 – 180 days	181-360 days	After 360 days	Total
Expected credit loss rate	0.95%	1.02%	1.39%	4.85%	4.85%	13.28%	71%	
Estimated total gross carrying amount at default	651,463	166,636	57,292	59,422	59,932	237,681	870,335	2,141,863
Expected credit loss	15,684	4,014	1,442	1,862	3,103	7,447	652,751	686,303

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

32. Financial Risk Management objectives and policies - continued

Expected credit loss measurement - other financial assets

The Group applied the general approach in computing expected credit losses (ECL) for intercompany receivables (non-trade), and cash and bank balances. The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The ECL is determined by projecting the Probability of default, Loss given Default (LGD) and Exposure at default (EAD) for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The reconciliation of these balances are as stated above.

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 2d Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Group obtains the data used from third party sources (Central Bank of Nigeria, Standards and Poor's etc.) and a team of expert within its credit risk department verifies the accuracy of inputs to the Group's ECL models including determining the weights attributable to the multiple scenarios. The Group used GDP growth, oil price and inflation as key drivers in computing expected credit loss and also as assumptions for the Group's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2022.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

32. Financial Risk Management objectives and policies - continued

An analysis of ECL allowances is as follows:

	Group			Company			
	2022			2022			
	Short-term	Treasury	Total	Intercompany	Short term	Treasury	Total
	deposits	bills		receivables	deposits	bills	
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Upside (10%)	163	-	163	1,204	163	-	1,386
Base (81%)	1,318	-	1,318	9,906	1,318	-	11,224
Downside (9%)	147	-	147	1,111	147	-	1,258
	-----	-----	-----	-----	-----	-----	-----
	1,628	-	1,628	12,221	1,628	-	13,849
	=====	=====	=====	=====	=====	=====	=====

Allowances for credit losses of financial assets

	Group		Company	
	Stage 1	2022	Stage 1	2022
	Individual	Total	individual	Total
	₦'000	₦'000	₦'000	₦'000
Treasury bills				
Gross carrying amount as at 1 January	368,628	368,628	368,628	368,628
New assets originated or purchased Note 22b)	-	-	-	-
Assets derecognised or repaid (excluding write offs) (Note 22b)	(368,628)	(368,628)	(368,628)	(368,628)
	-----	-----	-----	-----
Gross carrying amount as at 31 December	-	-	-	-
	=====	=====	=====	=====

Expected credit losses of financial assets

	Group		Company	
	Stage 1	2022	Stage 1	2022
	individual	Total	individual	Total
	₦'000	₦'000	₦'000	₦'000
Internal grading system				
Impairment allowance for treasury bills				
ECL allowance as at 1 January	12,745	12,745	12,745	12,745
New assets originated or purchased (Note 22b)	-	-	-	-
Assets derecognised or repaid (excluding write offs) (Note 22b)	(12,745)	(12,745)	(12,745)	(12,745)
	-----	-----	-----	-----
ECL allowance as at 31 December	-	-	-	-
	=====	=====	=====	=====

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

32. Financial Risk Management objectives and policies - continued

Intercompany receivables	Company 2022 Stage 1 individual N'000	2022 Total N'000
Gross carrying amount at 1 January	629,506	629,506
New assets originated or purchased (Note 21)	640,114	640,114
Assets derecognised or repaid (excluding write offs)	(629,506)	(629,506)
	-----	-----
Gross carrying amount at 31 December	640,114	640,114
	=====	=====
Expected credit losses for intercompany receivables		
ECL allowance at 1 January	11,864	11,864
New assets originated or purchased (Note 21 a)	12,221	12,221
Assets derecognised or repaid (excluding write offs)	(11,864)	(11,864)
	-----	-----
ECL allowance at 31 December	12,221	12,221
	=====	=====

Short term deposits

	Group		Company	
	2022 Stage 1 individual N'000	Total N'000	2022 Stage 1 individual N'000	Total N'000
Gross carrying amount at 1 January	1,661,826	1,661,826	1,591,043	1,591,043
New assets originated or purchased (Note 22)	672,659	672,659	552,230	552,230
Assets derecognised or repaid (excluding write offs)	(1,661,826)	(1,661,826)	(1,591,043)	(1,591,043)
	-----	-----	-----	-----
Gross carrying amount at 31 December	672,659	672,659	552,230	552,230
	=====	=====	=====	=====

Expected credit loss allowance for short term deposits

	Group		Company	
	Individual 2022 N'000	Total 2022 N'000	Individual 2022 N'000	Total 2022 N'000
ECL allowance at 1 January	5,589	5,589	5,435	5,435
New assets originated or purchased (Note 22a)	1,837	1,837	1,628	1,628
Assets derecognised or repaid (excluding write offs)	(5,589)	(5,589)	(5,435)	(5,435)
	-----	-----	-----	-----
ECL allowance at 31 December	1,837	1,837	1,628	1,628
	=====	=====	=====	=====

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

32. Financial Risk Management objectives and policies - continued

31 December 2021	Group				Company		
	Short term deposit ₦'000	2021 Treasury bills ₦'000	Total ₦'000	Intercompany receivables ₦'000	Short term deposit ₦'000	2021 Treasury bills ₦'000	Total ₦'000
Upside (10%)	559	1,274	1,833	1,186	543	1,274	3,003
Base (80%)	4,471	10,197	14,668	9,492	4,349	10,197	24,038
Downside (10%)	559	1,274	1,833	1,186	543	1,274	3,003
	-----	-----	-----	-----	-----	-----	-----
	5,589	12,745	18,334	11,864	5,435	12,745	30,044
	=====	=====	=====	=====	=====	=====	=====

Expected credit loss on treasury bills

	The Group		The Company	
	2021 Stage 1 individual ₦'000	Total ₦'000	2021 Stage 1 individual ₦'000	Total ₦'000
Treasury bills				
Gross carrying amount at 1 January	487,431	487,431	487,431	487,431
New assets originated or purchased (Note 22b)	368,628	368,628	368,628	368,628
Assets derecognised or repaid (excluding write offs)	(487,431)	(487,431)	(487,431)	(487,431)
	-----	-----	-----	-----
	368,628	368,628	368,628	368,628
	=====	=====	=====	=====
	2021 Stage 1 Individual ₦'000	Total ₦'000	2021 Stage 1 Individual ₦'000	Total ₦'000
ECL allowance at 1 January	2,399	2,399	2,399	2,399
New assets originated or purchased (Note 22b)	12,745	12,745	12,745	12,745
Assets derecognised or repaid (excluding write offs) (Note 22b)	(2,399)	(2,399)	(2,399)	(2,399)
	-----	-----	-----	-----
ECL allowance as at 31 December	12,745	12,745	12,745	12,745
	=====	=====	=====	=====

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

32. Financial Risk Management objectives and policies - continued

Intercompany receivables

Company 2021	Company 2021
Stage 1 ₦'000	₦'000
Gross carrying amount at 1 January 629,506	629,506
New assets originated or purchased (Note 21) -	-
Assets derecognised or repaid (excluding write offs) (8,366)	(8,366)
-----	-----
Gross carrying amount at 31 December 621,140	621,140
=====	=====

Expected credit losses on intercompany receivables

Company 2021	Company 2021
Stage 1 individual ₦'000	Total ₦'000
ECL allowance at 1 January 15,842	15,842
New assets originated or purchased (Note 21a) -	-
Assets derecognised or repaid (excluding write offs) (3,978)	(3,978)
-----	-----
ECL allowance at 31 December 11,864	11,864
=====	=====

Short term deposits

Group 2021			Company 2021
Stage 1 Individual ₦'000	Total ₦'000	Stage 1 individual ₦'000	Total ₦'000
369,119	369,119	308,649	308,649
1661,826	1,661,826	1,591,043	1,591,043
(369,119)	(369,119)	(308,649)	(308,649)
-----	-----	-----	-----
1,661,826	1,661,826	1,591,043	1,591,043
=====	=====	=====	=====

Expected credit losses on short term deposit

	Group			Company
	2021			2021
	Stage 1		Stage 1	
	Individual	Total	individual	Total
	₦'000	₦'000	₦'000	₦'000
ECL allowance at 1 January	241	241	203	203
New assets originated or purchased	5,589	5,589	5,435	5,435
Assets derecognised or repaid (excluding write offs)	(241)	(241)	(203)	(203)
	-----	-----	-----	-----
ECL allowance at 31 December	5,589	5,589	5,435	5,435
	=====	=====	=====	=====

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

32. Financial Risk Management objectives and policies - continued

Liquidity risk

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

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

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments

Group	Carrying amount N'000	Less than 3 months N'000	3 to 12 months N'000	1-5 years N'000	> 5 years N'000	Total N'000
Year ended 31 December 2022						
Trade and other payables*	-	-	4,912,091	-	-	4,912,091
Lease Liability	1,163,761	-	20,952	1,142,809	-	1,163,761
	1,163,761	-	4,933,043	1,142,809	-	6,075,852
	=====	=====	=====	=====	=====	=====
Year ended 31 December 2021						
Trade and other payables*	-	-	4,605,005	-	-	4,605,005
Lease Liability	1,187,175	-	23,414	1,163,761	-	1,187,175
	1,187,175	-	4,628,419	1,163,761	-	5,792,180
	=====	=====	=====	=====	=====	=====

*Withholding tax, Amount due to government agencies (PAYE), industrial training fund (ITF) and VAT payables are not financial instrument. Hence, they have been excluded from trade and other payables.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

32. Financial Risk Management objectives and policies - continued

Company

	Carrying amount N'000	Less than 3 months N'000	3 to 12 months N'000	1-5 years N'000	> 5 years N'000	Total N'000
Year ended 31 December 2022						
Trade and other payables*	-	-	4,530,536	-	-	4,530,536
Lease Liability	1,173,501		18,742	1,154,759	-	1,173,501
	1,173,501	-	4,549,278	1,154,759	-	5,704,037
	=====	=====	=====	=====	=====	=====
Year ended 31 December 2021						
Trade and other payables*	-	-	4,544,765	-	-	4,544,765
Lease Liability	1,194,815		21,314	1,173,501	-	1,194,815
	1,194,815	-	4,566,079	1,173,501	-	5,739,580
	=====	=====	=====	=====	=====	=====

*Withholding tax and VAT payables are not financial instrument. Hence, they have been excluded from trade and other payables.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Group is exposed to currency risk and insignificant interest rate risk. Financial instruments affected by currency risk include cash and short-term deposit, trade and other receivables and trade and other payables.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency). Management has set up a policy requiring the Group to manage its foreign currency risk against its functional currency. To manage its foreign currency risk arising from future commercial transaction and recognised asset and liabilities, the Group ensures that significant transaction is contracted in the functional currency.

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to this risk as it does not have a floating interest-bearing loan and borrowing in its books

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, Euro and GBP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

32. Financial Risk Management objectives and policies - continued

Foreign currency sensitivity- continued

	Foreign currency Balances ₦'000	Change in USD rate	Effect on profit before tax ₦'000
2022 Trade receivables	344	5% -5%	7,949 (7,949)
Trade Payable	1,684	5% -5%	38,861 (38,861)
Cash and bank balances	439	-5% 5%	(10,148) 10,148
2021 Trade payable	1,029,813	5% -5%	21,684 (21,684)
Cash and bank balances	415,425	-5% 5%	(9,035) 9,035
		Change in EURO rate	Effect on profit before tax ₦'000
2022 Cash and balances	-	5% -5%	- -
2021 Cash and balances	512	5% -5%	26 (26)
		Change in POUNDS rate	Effect on profit before tax ₦'000
2022 Cash and bank balances	-	5% -5%	- -
2021 Cash and bank balances	116	5% -5%	6 (6)

Transactions in foreign currencies other than US Dollars were not significant in the current year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

32. Financial Risk Management objectives and policies - continued

The table below show financial instruments by their measurement bases:

Group	Amortised cost ₦'000	Fair value ₦'000	Carrying amount ₦'000
At 31 December 2022			
Cash and cash equivalents (Note 22)	2,811,998	-	2,811,998
Trade and other receivables (Note 20)*	3,962,845	-	3,962,845
Debt instruments at amortized costs (Note 22b)	-	-	-
Total financial assets	6,774,843	-	6,774,843
Trade & other payables (Note 29)*	5,327,390	-	5,327,390
Lease liability (Note 28)	1,163,761	-	1,163,761
Total financial liabilities	6,491,151	-	6,491,151

The table below show financial instruments by their measurement bases - continued:

Group	Amortised cost ₦'000	Fair value ₦'000	Carrying amount ₦'000
At 31 December 2021			
Cash and cash equivalents (Note 22)	2,560,775	-	2,560,775
Trade and other receivables (Note 20)*	1,961,192	-	1,961,192
Debt instruments at amortized costs (Note 22b)	368,628	-	368,628
Total financial assets	4,885,658	-	4,885,658
Trade & other payables (Note 29)*	4,989,880	-	4,989,880
Lease liability (Note 28)	1,187,175	-	1,187,175
Total financial liabilities	6,177,055	-	6,177,055
Company	Amortised cost ₦'000	Fair value ₦'000	Carrying amount ₦'000
At 31 December 2022			
Cash and cash equivalents (Note 22)	2,263,090	-	2,263,090
Debt instrument at amortized cost (Note 22b)	-	-	-
Trade and other receivables (Note 20)*	3,668,860	-	3,668,860
Intercompany receivables (Note 21)	627,893	-	627,893
Total financial assets	6,559,843	-	6,559,843
Trade & Other payables (Note 29)*	4,918,853	-	4,918,853
Lease liability (Note 28a)	1,173,501	-	1,173,501
Total financial liabilities	6,092,354	-	6,092,354

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

32. Financial Risk Management objectives and policies - continued

The table below show financial instruments by their measurement bases - continued

Company	Amortised cost ₦'000	Fair value ₦'000	Carrying amount ₦'000
At 31 December 2021			
Cash and cash equivalents (Note 22)	2,350,117	-	2,350,117
Debt instrument at amortized cost (Note 22b)		368,628	368,628
Trade and other receivables (Note 20)*	1,832,625	-	1,832,625
Intercompany receivables (Note 21)	609,276	-	609,276
	-----	-----	-----
Total financial assets	5,160,646	-	5,160,646
	-----	-----	-----
Trade & Other payables (Note 29)*	5,026,738	-	5,026,738
Lease liability (Note 28a)	1,194,815	-	1,194,815
	-----	-----	-----
Total financial liabilities	6,221,553	-	6,221,553
	-----	-----	-----

*Withholding tax/VAT receivables and payables are not financial instrument. Hence they have been excluded from trade and other receivables and trade and other payables

33. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 40% and 50%. The Group includes within net debt, trade and other payables, loans and borrowings less cash and cash equivalents.

	Group		Company	
	Dec 2022 ₦'000	Dec 2021 ₦'000	Dec 2022 ₦'000	Dec 2021 ₦'000
Trade and other payables (Note 29)	5,736,989	5,434,166	5,328,452	5,364,984
Less cash and bank balance (Note 22)	(2,810,161)	(2,555,186)	(2,555,186)	(2,344,682)
	-----	-----	-----	-----
Net debt	2,926,828	2,873,391	3,065,362	3,014,867
Equity	9,026,250	7,018,437	8,858,060	6,976,118
	-----	-----	-----	-----
Capital and net debt	11,953,078	9,891,828	11,923,422	9,990,985
	=====	=====	=====	=====
Gearing ratio (%)	24%	29%	26%	30%
	=====	=====	=====	=====

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets short term obligations to creditors and related parties providing funding support.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022 and 31 December 2021.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

34. Fair value measurement of financial assets and liabilities

The management assessed that cash and cash equivalents, trade and other receivables, trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments. Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments that are carried in the financial statements.

Group & Company

	Carrying Amount		Fair value	
	Dec 22 N'000	Dec 21 N'000	Dec 22 N'000	Dec 21 N'000
Financial liabilities:				
Interest bearing loans and borrowings	-	-	-	-
Leases	1,163,761	1,187,175	1,173,501	1,056,586
	-----	-----	-----	-----
Total	1,163,761	1,187,175	1,173,501	1,056,586
	=====	=====	=====	=====
Financial assets:				
Trade receivables	4,262,665	2,324,376	3,966,245	2,141,863
	-----	-----	-----	-----
Total	4,262,665	2,324,376	3,966,245	2,141,863
	=====	=====	=====	=====

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Investment properties are evaluated using the DCF method, using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

As at 31 December 2022 and 31 December 2021, the Group's financial instruments carried on the statement of financial position are measured at amortised cost as such, level 3 has been used for their fair value determination.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

34. Fair value measurement of financial assets and liabilities - continued

Fair value hierarchy - continued

The following table provides the fair value measurement hierarchy of the company's assets and liabilities. Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 December 2022:

	31-Dec-22 N'000	Level 1 N'000	Level 2 N'000	Level 3 N'000
Asset for which fair value are disclosed (Note 15): Investment property		-	-	687,400
	31-Dec-21 N'000	Level 1 N'000	Level 2 N'000	Level 3 N'000
Asset for which fair value are disclosed (Note 15): Investment property		-	-	676,000

There have been no transfers between Level 1 and Level 2, and Level 2 and Level 3 during the period.

The fair value of the properties are based on valuation performed by Jide Taiwo & Co., accredited independent valuers. (FRC/12/0000000000254) with their staff lead valuer in person of Mr. Akinola Toheeb (FRC/2022/PRO/NIESV/004/362480).

35. Revenue

An analysis of the entity's revenue is as follows:

	2022 N'000	2021 N'000
Ground Handling	9,730,395	4,351,312
Cargo Handling	5,358,165	5,067,075
Others	1,619,366	814,287
	-----	-----
	16,707,926	10,232,674
	=====	=====

35. a. Segment reporting

Products and services from which reportable segments derive their revenues

Information reported for the purposes of resource allocation and assessment of segment performance is based on the products delivered or service rendered to customers.

The company has presented the reconciliation of segment profits in previous year and continues to disclose the same in this year's financial statement as the reconciliation is reported to the Chief Operating Officer for the purpose of decision making.

In addition, two minor operating segments, for which the quantitative thresholds for separate disclosures have not been met, are currently combined below under 'other'.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

35. a. Segment reporting - continued

The entity's reportable segments under IFRS 8 are therefore as follows:

Ground Handling - engaged in ramp services, passenger profiling, baggage handling and crew transportation.

Cargo Handling-: involved in cargo documentation services for airlines, import and export facilitation through customs bonded warehouses across the network.

Other - The main sources of revenue for these operating segments are equipment rentals and lease rentals.

35. b. Segment revenue and results

Segment revenue	Revenue N'000	Cost of sales N'000	Profit N'000
31 December 2022			
Ground Handling	10,573,701	6,878,152	3,695,549
Cargo Handling	5,358,165	1,396,098	3,962,067
Others	776,059	882,867	(106,808)
	-----	-----	-----
	16,707,925	9,157,117	7,550,808
	=====	=====	=====
31 December 2021			
Ground Handling	4,909,501	3,582,300	1,327,201
Cargo Handling	4,845,378	3,100,067	1,745,311
Others	477,795	206,671	271,124
	-----	-----	-----
	10,232,674	6,889,038	3,343,636
	=====	=====	=====

35. c. Segment profit or loss represents the gross profit or loss earned/ incurred by each segment without allocation of distribution and administrative expenses, other gains/ losses, investment income as well as finance costs. This is the measure reported to the Chief Operating Decision Maker for the purpose of resource allocation and assessment of segment performance.

There was no intersegment transaction as all revenue generated above was from external customers.

35. d. Segment assets and liabilities

The company does not report its assets and liabilities on a segmental basis and the reported segments are not assessed by the Chief Operating Decision Maker on this basis.

36. Information relating to employees

The average number of persons employed by the company during the financial year was as follows;

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

36. Information relating to employees

The average number of persons employed by the company during the financial year was as follows;

	2022 Numbers	2021 Numbers
Operations	1,407	1,406
Administration	244	123
	-----	-----
	1,651	1,529
	=====	=====

Employees of the Company, other than directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration in the following ranges;

Naira	2022 Numbers	2021 Numbers
Less than 1,000,000	-	-
1,000,001-1,500,000	362	588
1,500,001-2,500,000	888	722
2,500,001-3,500,000	323	178
3,500,001-6,000,000	49	23
6,000,001-8,500,000	12	10
Above 8,500,000	17	8
	-----	-----
	1,651	1,529
	=====	=====
Directors mix	2022 Numbers	2021 Numbers
Executive	3	3
Non-Executive	9	9
	-----	-----
	12	12
	=====	=====
	₦'000	₦'000
Highest paid Director	75,000	75,000
	=====	=====

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

37. Contingent liabilities

There are pending lawsuits for and against the Company in various courts of law. The lawsuits are being handled by external legal counsel. The contingent liabilities in respect of pending litigations and claims amounted to N539.091 million (2021: N135million). No provision has been made in the financial statements for the claims. In the opinion of the Directors and based on legal advice, the Group's liability is not likely to be significant. No case was decided against the company during the year.

38. Capital commitments

The group did not have any capital commitments as at 31 December 2022 (2021: Nil)

39. Events after the reporting date

No event or transactions have occurred since the end of the reporting date, which would have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements in order to make them not misleading as to the financial position or results of operations.

40. Reclassification

Certain comparative figures have been restated in line with the presentation in the current year. A leasehold land was reclassified from property, plant and equipment to right-of-use asset in the year ended 31 December 2022.

VALUE ADDED STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2022

	Group	Group	Company	Company
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Revenue	16,707,926	10,232,674	16,074,622	9,658,964
Other income	350,953	268,082	351,788	203,812
Finance income	79,721	59,331	79,721	59,331
	-----	-----	-----	-----
Bought in materials & service	17,138,600 (4,872,171)	10,560,087 (3,122,516)	16,506,131 (4,593,652)	10,071,379 (2,973,881)
	-----	-----	-----	-----
	12,266,429	7,437,571	11,912,479	7,097,498

Applied as follows:

		%		%		%		%
To pay employees and directors								
Salaries, wages, pensions and related costs	6,675,980	54	5,059,079	68	6,573,393	55	4,942,363	67
To providers of capital:								
Finance cost	177,391	1	187,096	3	177,160	1	177,113	5
Dividend	665,930	5	203,027	3	665,930	6	203,027	3
Government:								
Income tax expenses	1,006,166	8	242,950	3	915,958	8	242,198	3
Asset replacement:								
Depreciation and amortization	982,548	8	1,063,513	14	956,103	8	1,032,170	15
Deferred taxation-	162,501	1	(89,709)	(1)	154,783	1	(79,103)	(1)
Retained profit	2,595,914	21	771,615	10	2,469,671	21	579,730	8
	-----	-----	-----	-----	-----	-----	-----	-----
	12,266,429	100	7,437,571	100	11,912,479	100	7,097,498	100
	=====	=====	=====	=====	=====	=====	=====	=====

The value added represents the wealth created through the Company's assets by its own and its employees' efforts. This statement shows the allocation of wealth created amongst employees, government and that retained for future creation of wealth

FIVE - YEAR FINANCIAL SUMMARY - GROUP

FOR THE YEAR ENDED 31ST DECEMBER 2022

GROUP	2022 N'000	2021 N'000	2020 N'000	2019 N'000	2018 N'000
Statement of Profit or Loss					
Revenue	16,707,926	10,232,674	7,126,121	9,996,145	9,775,515
	=====	=====	=====	=====	=====
Profit before tax	3,842,410	924,855	361,279	1,340,503	503,237
Income tax	(1,168,667)	(153,240)	(59,148)	(623,304)	(306,443)
	-----	-----	-----	-----	-----
Profit after tax	2,673,743	771,615	302,131	717,199	196,794
	=====	=====	=====	=====	=====
Statement of Financial Position					
Non-current assets	8,803,107	7,951,385	8,308,382	7,821,663	6,454,876
Current assets	9,924,266	8,490,205	5,444,052	6,887,838	5,890,994
	-----	-----	-----	-----	-----
Total assets	18,727,373	16,441,590	13,752,434	14,709,501	12,345,870
	=====	=====	=====	=====	=====
Non-current liabilities	2,021,016	1,879,462	1,997,496	1,992,304	1,155,249
Current liabilities	7,680,107	7,543,691	5,305,089	6,082,213	4,866,781
	-----	-----	-----	-----	-----
Total liabilities	9,701,123	9,423,153	7,302,585	8,074,517	6,022,030
	=====	=====	=====	=====	=====
Financed by:					
Share capital	974,531	812,109	812,109	812,109	812,109
Share Premium	1,752,336	1,914,758	1,914,758	1,914,758	1,914,758
Retained earnings & NCI	6,299,383	4,291,570	3,722,982	3,908,117	3,596,973
	-----	-----	-----	-----	-----
Total equity	9,026,250	7,018,437	6,449,849	6,634,984	6,323,840
	=====	=====	=====	=====	=====
Total equity and liabilities	18,727,373	16,441,590	13,752,434	14,709,501	12,345,870
	=====	=====	=====	=====	=====

FIVE - YEAR FINANCIAL SUMMARY - COMPANY

FOR THE YEAR ENDED 31ST DECEMBER 2022

FIVE-YEAR FINANCIAL SUMMARY

COMPANY	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000
Statement of Profit or Loss					
Revenue	16,074,622	9,658,964	6,779,005	9,570,197	9,109,644
	=====	=====	=====	=====	=====
Profit before tax	3,618,614	742,824	329,642	1,040,114	299,754
Income tax	(1,070,941)	(163,094)	(37,820)	(603,746)	(290,048)
	-----	-----	-----	-----	-----
Profit after tax	2,547,873	579,730	291,822	436,368	9,706
	=====	=====	=====	=====	=====
Statement of Financial Position					
Non-current assets					
Non-current assets	8,642,489	7,770,712	8,100,982	7,572,265	6,857,111
Current assets	9,386,685	8,513,087	5,540,787	6,987,037	5,961,973
	-----	-----	-----	-----	-----
Total assets	18,029,174	16,283,799	13,641,769	14,559,302	12,819,084
	=====	=====	=====	=====	=====
Non-current liabilities	2,034,706	1,898,665	1,998,981	1,988,966	1,153,261
Current liabilities	7,136,208	7,409,016	5,043,373	5,775,477	4,901,277
	-----	-----	-----	-----	-----
Total liabilities	9,171,114	9,307,681	7,042,354	7,764,443	6,054,538
	=====	=====	=====	=====	=====
Financed by:					
Share capital	974,531	812,109	812,109	812,109	812,109
Share premium	1,752,336	1,914,758	1,914,758	1,914,758	1,914,758
Retained earnings	6,131,193	4,249,251	3,872,548	4,067,991	4,037,679
	-----	-----	-----	-----	-----
Total equity	8,858,060	6,976,118	6,599,415	6,794,858	6,764,546
	=====	=====	=====	=====	=====
Total equity and liabilities	18,029,174	16,283,799	13,641,769	14,559,302	12,819,084
	=====	=====	=====	=====	=====

NAHCO AVIANCE PLC FLIGHT AND CARGO TONNAGE STATISTICS AND ANALYSIS, 2022 AND 2021

2022 and 2021 Monthly Total Flight Analysis by Location

Location: MMIA				MMA2			
Month	2022	2021	% Change (+increase/- decrease)	2022	2021	% Change (+increase/- decrease)	
Jan	517	394	31%	860	614	40%	
Feb	492	354	39%	836	577	45%	
Mar	567	383	48%	760	601	26%	
Apr	570	381	50%	662	583	14%	
May	574	392	47%	614	636	-3%	
Jun	587	398	47%	584	647	-10%	
Jul	658	476	38%	486	795	-39%	
Aug	655	502	31%	363	937	-61%	
Sep	572	497	15%	317	862	-63%	
Oct	589	508	16%	381	919	-58%	
Nov	520	496	5%	466	918	-49%	
Dec	592	530	12%	672	977	-31%	
	6,891	5,308	30%	6,998	9,064	-23%	

Location: CARGO RAMP				PHC			
Month	2022	2021	% Change (+increase/- decrease)	2022	2021	% Change (+increase/- decrease)	
Jan	205	208	-1%	313	125	150%	
Feb	161	192	-16%	259	112	131%	
Mar	224	244	-8%	270	120	125%	
Apr	194	273	-29%	239	137	74%	
May	207	263	-21%	223	199	12%	
Jun	216	257	-16%	218	198	10%	
Jul	202	274	-26%	200	225	-11%	
Aug	191	266	-28%	192	149	29%	
Sep	177	236	-25%	189	280	-33%	
Oct	190	218	-13%	210	277	-24%	
Nov	192	250	-23%	218	282	-23%	
Dec	215	240	-10%	267	342	-22%	
	2,374	2,921	-19%	2,798	2,446	14%	

NAHCO AVIANCE PLC FLIGHT AND CARGO TONNAGE STATISTICS AND ANALYSIS, 2022 AND 2021
2022 and 2021 Monthly Total Flight Analysis by Location - continued

Location: ABUJA				Location: KANO			
Month	2022	2021	% Change (+increase/- decrease)	2022	2021	% Change (+increase/- decrease)	
Jan	1362	885	54%	263	163	61%	
Feb	1332	852	56%	301	168	79%	
Mar	1417	838	69%	33	137	-76%	
Apr	1351	796	70%	358	125	186%	
May	1378	738	87%	324	183	77%	
Jun	1310	873	50%	310	223	39%	
Jul	1231	978	26%	329	266	24%	
Aug	1078	1,112	-3%	264	247	7%	
Sep	1049	1,096	-4%	257	220	17%	
Oct	1144	1,164	-2%	280	263	6%	
Nov	1191	1,200	-1%	360	254	42%	
Dec	1395	1,606	-13%	584	278	110%	
	15,238	12,138	26%	3,663	2,527	45%	

Location: UYO				Location: KADUNA			
Month	2022	2021	% Change (+increase/- decrease)	2022	2021	% Change (+increase/- decrease)	
Jan	-	43	-100%	29	36	-19%	
Feb	-	22	-100%	28	27	4%	
Mar	-	-	0%	24	8	200%	
Apr	-	-	0%	-	-	0%	
May	-	-	0%	5	1	400%	
Jun	-	1	-100%	27	13	108%	
Jul	-	-	0%	29	23	26%	
Aug	-	-	0%	31	26	19%	
Sep	-	-	0%	22	22	0%	
Oct	-	-	0%	35	27	30%	
Nov	-	-	0%	31	24	29%	
Dec	62	-	0%	29	32	-9%	
	62	66	-6%	290	239	21%	

NAHCO AVIANCE PLC FLIGHT AND CARGO TONNAGE STATISTICS AND ANALYSIS, 2022 AND 2021
2022 and 2021 Monthly Total Flight Analysis by Location - continued

Location: ENUGU				OWERRI		
Month	2022	2021	% Change (+increase/- decrease)	2022	2021	% Change (+increase/- decrease)
Jan	150	78	92%	132	138	-4%
Feb	164	117	40%	139	135	3%
Mar	149	147	1%	127	164	-23%
Apr	145	132	10%	129	150	-14%
May	121	144	-16%	116	123	-6%
Jun	143	152	-6%	108	115	-6%
Jul	126	150	-16%	118	115	3%
Aug	99	129	-23%	114	123	-7%
Sep	100	127	-21%	121	101	20%
Oct	107	152	-30%	116	120	-3%
Nov	136	154	-12%	126	114	11%
Dec	180	157	15%	189	134	41%
	1,620	1,639	-1%	1,535	1,532	0.2%

Location: MAIDUGURI				YOLA		
Month	2022	2021	% Change (+increase/- decrease)	2022	2021	% Change (+increase/- decrease)
Jan	30	31	-3%	61	49	24%
Feb	28	28	0%	53	44	20%
Mar	30	14	114%	62	48	29%
Apr	29	-	0%	48	49	-2%
May	22	16	38%	46	52	-11%
Jun	29	30	-3%	46	54	-15%
Jul	25	29	-14%	46	60	-23%
Aug	18	31	-42%	32	58	-44%
Sep	20	30	-33%	30	56	-46%
Oct	-	31	-100%	31	60	-48%
Nov	1	30	-97%	30	60	-50%
Dec	2	29	-93%	30	63	-52%
	234	299	-22%	515	652	-21%

NAHCO AVIANCE PLC FLIGHT AND CARGO TONNAGE STATISTICS AND ANALYSIS, 2022 AND 2021
2022 and 2021 Monthly Total Flight Analysis by Location - continued

Location: Kebbi				GAT		
Month	2022	2021	% Change (+increase/- decrease)	2022	2021	% Change (+increase/- decrease)
Jan	13	14	-7%	534	301	77%
Feb	11	12	-8%	585	266	120%
Mar	16	8	100%	547	287	91%
Apr	26	4	550%	540	334	62%
May	28	14	100%	471	346	36%
Jun	30	24	25%	435	358	22%
Jul	27	26	4%	460	370	24%
Aug	22	14	57%	477	420	13%
Sep	24	14	71%	482	366	32%
Oct	22	13	69%	520	438	19%
Nov	24	25	-4%	568	394	44%
Dec	24	27	-11%	661	515	28%
	267	195	37%	6,278	4,393	43%

Location: Gombe				Akure		
Month	2022	2021	% Change (+increase/- decrease)	2022	2021	% Change (+increase/- decrease)
Jan	12	31	-61%	101	50	102%
Feb	11	13	-15%	93	52	79%
Mar	12	5	140%	103	62	66%
Apr	13	-	0%	81	61	33%
May	11	1	1000%	90	65	38%
Jun	13	12	8%	106	63	68%
Jul	10	13	-23%	112	65	72%
Aug	12	13	-8%	100	72	39%
Sep	12	13	-8%	115	90	28%
Oct	14	13	8%	112	92	22%
Nov	11	13	-15%	96	98	-2%
Dec	13	12	8%	109	110	-1%
	144	139	4%	1,218	880	38%

NAHCO AVIANCE PLC FLIGHT AND CARGO TONNAGE STATISTICS AND ANALYSIS, 2022 AND 2021
2022 and 2021 Monthly Total Flight Analysis by Location - continued

Location: Benin				Asaba		
Month	2022	2021	% Change (+increase/- decrease)	2022	2021	% Change (+increase/- decrease)
Jan	-	12	-100%	-	12	-100%
Feb	-	9	-100%	-	11	-100%
Mar	-	3	-100%	-	2	-100%
Apr	-	-	0%	-	-	0%
May	-	-	0%	-	-	0%
Jun	-	-	0%	-	-	0%
Jul	-	-	0%	-	-	0%
Aug	-	-	0%	-	-	0%
Sep	-	-	0%	-	-	0%
Oct	-	-	0%	-	-	0%
Nov	-	-	0%	-	-	0%
Dec	-	-	0%	-	-	0%
	-	24	-100%	-	25	-100%

Location: Katsina				Osubi		
Month	2022	2021	% Change (+increase/- decrease)	2022	2021	% Change (+increase/- decrease)
Jan	13	101	-87%	70	-	0%
Feb	12	93	-87%	56	-	0%
Mar	15	103	-85%	64	-	0%
Apr	13	81	-84%	60	-	0%
May	13	90	-86%	60	-	0%
Jun	19	103	-82%	61	-	0%
Jul	18	112	-84%	61	-	0%
Aug	16	100	-84%	63	36	75%
Sep	13	115	-89%	60	62	-3%
Oct	13	112	-88%	66	72	-8%
Nov	16	96	-83%	79	66	20%
Dec	15	109	-86%	84	68	24%
	176	1,215	-86%	784	304	158%

NAHCO AVIANCE PLC FLIGHT AND CARGO TONNAGE STATISTICS AND ANALYSIS, 2022 AND 2021
2022 and 2021 Monthly Total Flight Analysis by Location - continued

Location: Sokoto			
Month	2022	2021	% Change (+increase/- decrease)
Jan	-	-	0%
Feb	-	-	0%
Mar	-	-	0%
Apr	-	-	0%
May	-	-	0%
Jun	9	-	0%
Jul	9	-	0%
Aug	-	-	0%
Sep	-	-	0%
Oct	-	-	0%
Nov	-	-	0%
Dec	-	-	0%
	18	-	0%

Location: Flight Frequency Summary			
Month	2022	2021	% Change (+increase/- decrease)
Jan	4,664	3,285	42%
Feb	4,561	3,084	48%
Mar	4,420	3,173	39%
Apr	4,458	3,105	44%
May	4,303	3,262	32%
Jun	4,251	3,520	21%
Jul	4,147	3,977	4%
Aug	3,726	4,234	-12%
Sep	3,559	4,187	-15%
Oct	3,830	4,478	-14%
Nov	4,064	4,473	-9%
Dec	5,123	5,228	-2%
	51,103	46,005	11%

NAHCO AVIANCE PLC FLIGHT AND CARGO TONNAGE STATISTICS AND ANALYSIS, 2022 AND 2021

2022 and 2021 Monthly Total Cargo Analysis by Location

Location: CARGO - LAGOS				CARGO - PHC		
Month	2022	2021	% Change (+increase/- decrease)	2022	2021	% Change (+increase/- decrease)
Jan	4,161,677	4,287,766	-3%	158,031	36,037	339%
Feb	4,073,737	4,132,507	-1%	19,086	-	0%
Mar	5,270,445	5,896,372	-11%	34,417	-	0%
Apr	5,302,974	5,777,707	-8%	78,139	-	0%
May	5,191,967	5,152,715	1%	119,668	-	0%
Jun	5,440,326	5,568,006	-2%	85,919	55,994	53%
Jul	4,763,742	5,363,787	-11%	75,680	15,982	374%
Aug	5,166,274	5,706,186	-9%	108,836	34,774	213%
Sep	5,261,939	4,614,165	14%	157,265	48,143	227%
Oct	4,596,836	4,106,850	12%	73,143	95,991	-24%
Nov	4,686,861	5,085,382	-8%	87,643	162,643	-46%
Dec	4,761,403	5,336,898	-11%	76,407	45,029	70%
	58,678,181	61,028,339	-4%	1,074,234	494,593	117%

Location: CARGO - ABUJA				CARGO - KANO		
Month	2022	2021	% Change (+increase/- decrease)	2022	2021	% Change (+increase/- decrease)
Jan	400,813	218,034	84%	90	169,933	-100%
Feb	387,588	286,700	35%	45,790	-	0%
Mar	393,682	307,934	28%	48,385	366,977	-87%
Apr	608,144	314,535	93%	415,652	291,632	43%
May	235,889	192,208	23%	138,807	266,881	-48%
Jun	313,451	364,827	-14%	101,741	191,404	-47%
Jul	250,211	295,014	-15%	79,807	150,218	-47%
Aug	322,672	400,371	-19%	160,483	198,206	-19%
Sep	562,047	265,051	112%	94,667	125,268	-24%
Oct	405,913	374,391	8%	75,666	159,189	-52%
Nov	259,484	450,412	-42%	64,672	108,946	-41%
Dec	327,912	406,538	-19%	16,858	55,624	-70%
	4,467,807	3,876,013	15%	1,242,617	2,084,279	-40%

Location: ENUGU			
Month	2022	2021	% Change (+increase/- decrease)
Jan	1,093	-	0%
Feb	-	-	0%
Mar	5,187	-	0%
Apr	17,937	-	0%
May	20,451	-	0%
Jun	19,368	-	0%
Jul	1,290	-	0%
Aug	18,232	-	0%
Sep	25,468	-	0%
Oct	15,477	46,202	-67%
Nov	18,638	67,174	-72%
Dec	41,183	15,328	169%
	184,324	128,704	43%

NAHCO AVIANCE PLC FLIGHT AND CARGO TONNAGE STATISTICS AND ANALYSIS, 2022 AND 2021 2022 and 2021 Monthly Total Cargo Analysis by Product

Lagos Cargo 2022

Month	IMPORT	EXPORT	COURIER	COA	TOTAL
JANUARY	3,230,591	746,367	153,017	31,702	4,161,677
FEBRUARY	2,869,462	982,832	185,409	36,034	4,073,737
MARCH	3,851,203	1,082,186	305,700	31,355	5,270,445
APRIL	3,848,213	1,071,376	346,938	36,447	5,302,974
MAY	3,779,036	1,021,856	361,609	29,465	5,191,967
JUNE	3,736,516	1,252,006	361,671	90,134	5,440,326
JULY	3,412,742	1,083,098	161,866	106,036	4,763,742
AUGUST	3,558,583	1,197,813	282,376	127,502	5,166,274
SEPTEMBER	3,658,859	1,336,161	168,046	98,873	5,261,939
OCTOBER	3,178,960	1,232,153	149,050	36,674	4,596,836
NOVEMBER	3,333,320	1,199,898	123,499	30,144	4,686,861
DECEMBER	3,381,032	1,147,225	198,526	34,620	4,761,403
TOTAL	41,838,517	13,352,971	2,797,706	688,987	58,678,181

Lagos Cargo 2021

Month	IMPORT	EXPORT	COURIER	COA	TOTAL
JANUARY	3,367,673	650,029	199,785	70,280	4,287,766
FEBRUARY	2,862,965	1,024,396	199,395	45,750	4,132,507
MARCH	4,378,445	1,174,665	303,399	39,862	5,896,372
APRIL	4,234,637	1,255,947	238,605	48,518	5,777,707
MAY	3,701,207	1,192,332	213,687	45,490	5,152,715
JUNE	3,961,462	1,305,446	268,048	33,050	5,568,006
JULY	3,924,297	1,176,888	236,393	26,208	5,363,787
AUGUST	4,519,278	1,336,638	242,681	240,939	6,339,536
SEPTEMBER	3,531,045	1,263,135	207,978	50,469	5,052,626
OCTOBER	3,210,689	1,286,195	133,313	152,425	4,782,622
NOVEMBER	3,648,540	1,256,856	153,260	26,726	5,085,382
DECEMBER	4,088,156.06	1,057,442	165,121.85	26,177.68	5,336,897.59
TOTAL	45,428,392	13,979,969	2,561,668	805,895	62,775,924

Company wide 2022

Month	IMPORT	EXPORT	COURIER	COA	TOTAL
JANUARY	3,595,760	780,541	153,017	192,386	4,721,704
FEBRUARY	3,216,880	1,006,373	185,409	117,539	4,526,201
MARCH	4,235,320	1,152,204	305,700	58,891	5,752,116
APRIL	4,446,832	1,308,134	346,938	320,943	6,422,847
MAY	4,201,603	1,080,495	361,609	63,073	5,706,781
JUNE	4,171,250	1,306,439	361,671	121,445	5,960,806
JULY	3,720,516	1,122,919	161,866	165,430	5,170,730
AUGUST	4,083,217	1,268,436	282,376	142,469	5,776,498
SEPTEMBER	4,335,800	1,387,195	169,109	210,345	6,102,449
OCTOBER	3,657,237	1,265,016	149,607	95,176	5,167,035
NOVEMBER	3,647,006	1,252,298	123,499	94,495	5,117,297
DECEMBER	3,773,290	1,191,229	198,526	60,718	5,223,763
TOTAL	47,084,711	14,121,279	2,799,326	1,642,910	65,648,227

NAHCO AVIANCE PLC FLIGHT AND CARGO TONNAGE STATISTICS AND ANALYSIS, 2022 AND 2021
2022 and 2021 Monthly Total Cargo Analysis by Product - continued

Company wide 2021

Month	IMPORT	COURIER	EXPORT	COA	TOTAL
JANUARY	3,721,014	719,048	199,785	71,923	4,711,770
FEBRUARY	3,129,283	1,032,317	199,395	58,211	4,419,206
MARCH	4,892,322	1,235,443	303,399	140,119	6,571,284
APRIL	4,752,298	1,288,541	238,605	104,430	6,383,874
MAY	4,142,337	1,203,400	213,687	52,381	5,611,804
JUNE	4,484,522	1,388,702	268,048	38,959	6,180,231
JULY	4,265,433	1,193,165	236,393	130,008	5,825,000
AUGUST	4,519,278	1,336,638	242,681	240,939	6,339,536
SEPTEMBER	3,531,045	1,263,135	207,978	50,469	5,052,626
OCTOBER	3,210,689	1,286,195	133,313	152,425	4,782,622
NOVEMBER	4,253,963	1,337,723	153,260	129,611	5,874,557
DECEMBER	4,511,903	1,085,317	165,121.85	97,075	5,859,417
TOTAL	49,414,087	14,369,625	2,561,668	1,266,549	67,611,928

INTERNATIONAL FLIGHT INBOUND AND OUT BOUND PASSENGERS

2022			
LOCATION	LOCATION CODE	PAX INBOUND	PAX OUTBOUND
LAGOS	LOS	1,050,204	1,083,927
ABUJA	ABV	242,240	302,129
PORT HARCOURT	PHC	25,438	26,461
ENUGU	ENU	10,258	13,915
KANO	KNN	30,934	34,542
TOTAL	TOTAL	1,359,074	1,460,974

2021			
LOCATION	LOCATION CODE	PAX INBOUND	PAX OUTBOUND
LAGOS	LOS	607,685	626,320
ABUJA	ABV	159,168	159,658
PORT HARCOURT	PHC	4,437	2,932
ENUGU	ENU	3,520	843
KANO	KNN	8,161	6,743
TOTAL	TOTAL	782,971	796,496

PROXY FORM

The 42nd Annual General Meeting of **Nigerian Aviation Handling Company Plc** (Nahco Aviance) will hold at Radisson Blu Hotel, Isaac John Street, Ikeja, Lagos, Nigeria on Friday, 26th May, 2023 at 11:00 am.

I/We _____ being a member/members of

Nigerian Aviation Handling Company Plc hereby appoint _____

or failing him the Chairman of the meeting as my/our proxy to act and vote for me/us at the Annual General Meeting of the Company to be held on Friday 26th May 2023 and at any adjournment thereof.

Dated this _____ day of _____ 2023

Shareholder's Signature

	Resolutions	For	Against	Abstain
1.	To lay the Audited Financial Statements for the year ended 31st December 2022 together with the Report of the Directors, External Auditors and Audit Committee thereon.			
2.	To declare a dividend.			
3.	To re-elect the following Non-Executive Directors: a. Dr Seinde Oladapo Fadeni (Non-Executive Director) b. Mr. Taofeeq Oluwatoyin Salman (Non-Executive Director) c. Prof. Enyinna Okpara (Non-Executive Director)			
4.	To authorize the Directors to fix the remuneration of the External Auditors.			
5.	To disclose the remuneration of managers of the Company			
6.	To elect members of the Audit Committee.			
7.	To approve the remuneration of the Directors of the Company for the year ending December 31, 2023.			
8.	To approve recurrent related party transactions.			

Please indicate "X" in the appropriate space how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

NOTES:

Please sign this form and post it to reach the address overleaf not later than 48 hours before the time of holding the meeting. If executed by a corporation, this form should be sealed with its common seal.

Shareholder's name to be inserted in BLOCK LETTERS please. In case of joint shareholders, any one of such may complete this form, but the names of all joint holders must be inserted.

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her/its place. A proxy need not be a member of the Company. Following the normal practice, the Chairman of the meeting has been entered on the form to ensure that someone will be at the meeting to act as your proxy, but you may insert in the blank space the name of any person.

NIGERIAN AVIATION HANDLING COMPANY PLC 42ND ANNUAL GENERAL MEETING SHAREHOLDERS ADMISSION CARD

Please admit the shareholder on this form or his/her/its duly appointed proxy to the 42nd Annual General Meeting to be held at Radisson Blu Hotel, Isaac John Street, Ikeja, Lagos, Nigeria on Friday, 26th May, 2023 at 11:00 am.

Name of Shareholder _____

Number of Shares Held _____

Signature of Person attending _____

Note: This form should be completed, signed, torn off and produced by the shareholder or his/her/its duly appointed proxy to gain entrance to the venue of the meeting.

The Registrar
CardinalStone Registrars Limited
358, Herbert Macaulay Way
Yaba, Lagos
P. O. Box 9117 Lagos,
Nigeria

MANDATE FORM

NIGERIAN AVIATION HANDLING COMPANY (nahco aviance)

Mandate for Dividend payment to banks

TO:

The Registrar,
CardinalStone Registrars Ltd.
358, Herbert Macaulay Road,
P.O. Box 9117,
Lagos

I hereby request that from now on, all my dividend warrants due to me from my holdings in Nigerian Aviation Handling Company Plc be paid directly to my bank named below:

SHAREHOLDER'S FULL NAME (Surname first)

SHAREHOLDER'S ADDRESS

SHAREHOLDER'S SIGNATURE

BANK'S NAME

BANK'S BRANCH

BANK ADDRESS

ACCOUNT NUMBER

For Banks use only

Official Stamp and Authorised Signature

Page Number/Name

We agree to the Customer's request as stated above



NAHCO FREE ZONE PROPOSED OFFICE COMPLEX

Nahco Free Zone, a subsidiary of nahco aviance is the first airport Free Trade Zone in Nigeria, licensed on February 20th, 2014.

Nahco Free Zone is a designated special economic zone that offers numerous incentives and procedures designed to streamline bureaucratic bottle necks, In line with the approved NEPZA guidelines, It provides a safe, secure and efficient environment for clients' cargo and other business activities

Nahco Free Zone, NFZ House,
Murtala Muhammed Airport, Ikeja, Lagos, Nigeria
Tel: +234 (1) 291 4633 | +234 (1) 453 8455
info@nfz.com.ng | www.nfz.com.ng

nfz

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OUR CLIENTS





A world of Difference in **Freight** and **Cargo** Services

SERVICES:

- Air Freight ■ Sea Freight ■ Overland Transportation ■ Warehousing & Distribution
- Import/Export Documentation ■ Door to Door Service ■ Global Logistics



We are a Nigerian Customs Licensed Company

OFFICE ADDRESS: Ground Floor Suite, **NAHCO CARGO COMPLEX** – Murtala Muhammed Int'l Airport Ikeja, Lagos.
Tel: +234 (0) 909 920 9056. **Email:** info@mainlandcargooptions.com **Website:** www.mainlandcargooptions.com



■ LAGOS ■ ABUJA ■ ENUGU ■ PORT HARCOURT ■ KANO

Your Integrated Solutions for Aviation Handling & Logistics



NAHCO PLC

The nation's leading ground handling company and aviation conglomerate with interests in aviation logistics and infrastructure.

- Aircraft Handling
- Passenger Handling
- Cargo Handling
- Crew Transportation
- Aviation Training
- Aircraft Disinfection | Logistics

NAHCO FREE TRADE ZONE (NFZ)

The first of such in the nation's aviation industry.

- Airside Warehousing
- Facilities Rental
- Turnkey Office Facilities
- Cargo Handling
- Hub operations (Regional & Intercontinental)
- Free-Zone-to-Free-Zone Transfers
- Storage
- Warehouse Management
- Facilitation & logistics

MAINLAND CARGO OPTIONS

- Warehousing
- Door-to-Door Delivery
- Last-mile Delivery
- Cargo Export/Import
- Documentation
- Inland Freight Cargo
- Distribution
- Domestic Delivery Services
- Freight Forwarding Services
- General Sales Agency for Airlines

HEAD OFFICE

Nahco Aviance House

Murtala Muhammed International Airport, P.M.B 013, Ikeja, Lagos.

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info@nahcoaviance.com | +234 80 9799 3266



STATIONS: LAGOS | ABUJA | ENUGU | KANO | KADUNA | PORT HARCOURT | UYO | OWERRI | YOLA | MAIDUGURI | GOMBE | KEBBI | AKURE

www.nahcoaviance.com

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RC: 30954

NIGERIAN AVIATION HANDLING COMPANY PLC