NIGERIAN AVIATION HANDLING COMPANY PLC

Lagos, Nigeria

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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NIGERIAN AVIATION HANDLING COMPANY PLC

CORPORATE INFORMATION

DIRECTORS	
Chairman (Non Executive)	Dr. Seinde Oladapo Fadeni
Group Managing Director/CEO	Mr. Indranil Gupta (Indian)
Executive Directors	Dr. Peter Olusola Obabori 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 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

NIGERIAN AVIATION HANDLING COMPANY PLC

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)	(1,070,941)	(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

DIVIDEND

The Directors will propose a gross dividend of .... per ordinary share, amounting to 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:

NIGERIAN AVIATION HANDLING COMPANY PLC

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	0.309	5,026,610	0.309
6.	Mr. Taofeeq Oluwatoyin Salman	-	-	-	-
7.	Engr. Solagbade Olukayode Alabi - Direct - Indirect- (White Cowry Industries Limited)	- 178,643,862	- 9.17	- 148,869,885	- 9.17
8.	Prof. Enyinna Ugwuchi Okpara - Direct - Indirect (Awhua Resources Limited)	39,600 138,945,487	0.002 7.13		
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

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:

SHAREHOLDING STRUCTRUE 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 STRUCTRUE 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 DCEMBER 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

PAID UP SHARE CAPITAL: 31 DCEMBER 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

1. 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.
2. White Cowry Industries Limited is represented by Engr. Solagbade Olukayode Alabi.
3. Awhua Resources Limited is represented by Prof. Enyinna Ugwuchi Okpara

Share Range Analysis - Continued

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 JIBOWU STREET OFF RIBADU ROAD 6 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

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 JIBOWU STREET OFF RIBADU JIBOWU STREET OFF RIBADU ROAD 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 the financial statements and their function is laid out in Section 404 of the Companies and Allied Matters Act, 2020.

NIGERIAN AVIATION HANDLING COMPANY PLC

REPORT OF THE DIRECTORS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2022

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**

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:₦ 16.267M; 2021:₦3.64M)

ORGANIZATION NAMES:	₦'000
ATSSSAN & NUATE	1,600
FEDERAL AIRPORT AUTHORITY OF NIGERIA	2,500
ANLCA	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.

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.

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 disclosekin 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 31 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.

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 - Continued

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 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.
7. Ensuring that the Company has appropriate risk management, internal control and regulatory compliance policies and procedures in place.

Roles of the Board - Continued

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:

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

Risk and Compliance Committee - Continued

8. Serve as an independent and objective party to review the financial information presented by Management to the Board and the general public.
9. Oversee and appraise the quality of audits conducted by the Group's internal and external auditors.
10. Determine the efficiency and effectiveness of administrative operating and accounting controls used by the Group.
11. Establish and periodically review a code of conduct and monitor the ethical behaviour of the Group and Management to ensure compliance.
12. Review the placement of the Group's insurance program and its alignment with the Group's risk profile.
13. 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.

Governance and Remuneration Committee-continued

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.
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.

Finance and General Purposes Committee-continued

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.
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.

Finance and General Purposes Committee-continued

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.

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		Number of Meetings 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

MEETINGS HELD BY COMMITTEES - Continued

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 Meetings During Tenure	Number of Meetings 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	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 Moyoshola Shobayo FCA	Non-Executive Director	5	5

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, timelyand 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.

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/0000000041
Company Secretary

NIGERIAN AVIATION HANDLING COMPANY PLC

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:

a) 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

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

c) Prepares its financial statements using suitable accounting policies supported by reasonable and prudent 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

NIGERIAN AVIATION HANDLING COMPANY PLC

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 31 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/00000008663

29th March 2023

MEMBERS OF THE AUDIT COMMITTEE

Dr. Okpan Awa Erem -	Chairman
Mr. Mohammed Gambo Fagge -	Shareholders Representative
Mrs. Adebisi Oluwayemisi Bakare	Shareholders Representative
Engr. Mohammed Gambo Umar, mni	Non-executive Director
Mr. Tajudeen Moyosola Shobayo, FCA	Non-Executive Director

NIGERIAN AVIATION HANDLING COMPANY PLC

STATEMENT OF CORPORATE RESPONSIBILITY FOR PREPARATION OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 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.

Indranil Gupta

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

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

Building a better working world

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NIGERIAN AVIATION HANDLING COMPANY PLC

Independent Auditor's Report

To the Members of Nigerian Aviation Handling Company Plc

Report on the Consolidated and Separate Financial Statements

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.

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Independent Auditors' Report

To the Members of Nigerian Aviation Handling Company Plc

Report on the Audit of 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
Determination of allowance for expected credit loss on trade receivables 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. 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 form the impact of Covid 19. 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. We considered this a Key Audit Matter due to the materiality of the amounts involved and the high level of management judgement required. The Group's accounting policy on impairment of trade receivables and related ECL disclosures are shown in Note 31 in the financial statements	We obtained management's model for the computation of expected credit loss on trade receivable and performed the following procedures: - 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.

4b. Standards and interpretations issued not yet effective- Continued

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 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.

Building a better working world

Independent Auditors' Report

To the Members of Nigerian Aviation Handling Company Plc

Report on the Audit of the Consolidated and Separate Financial statements – Continued

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.

- 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.

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Independent Auditors' Report

To the Members of Nigerian Aviation Handling Company Plc

Report on the Audit of the Consolidated and Separate Financial statements - Continued

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/00000000145
For: Ernst & Young
Lagos, Nigeria

31 March 2023

NIGERIAN AVIATION HANDLING COMPANY PLC

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

FOR THE YEAR ENDED 31 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)	(1,168,657)	(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

NIGERIAN AVIATION HANDLING COMPANY PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	Group 2022 ₦'000	Group 2021 ₦'000	Company 2022 ₦'000	Company 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

NIGERIAN AVIATION HANDLING COMPANY PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION – Continued

AS AT 31 DECEMBER 2022

		Group		Company	
		2022	2021	2022	2021
	Notes	₦'000	₦'000	₦'000	₦'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 29 March 2023 and signed on its behalf by:

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

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

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

29 March 2023

The accompanying notes form an integral part of these financial statements

NIGERIAN AVIATION HANDLING COMPANY PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

Attributable to the equity holders of the Group

2022	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total ₦'000	Non-Controlling interest ₦'000	Total equity ₦'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

2021	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total ₦'000	Non-Controlling interest ₦'000	Total equity ₦'000
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

NIGERIAN AVIATION HANDLING COMPANY PLC

SEPARATE STATEMENT OF CHANGES 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

	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total ₦'000
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

NIGERIAN AVIATION HANDLING COMPANY PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		Group		Company	
		2022	2021	2022	2021
	Notes	₦'000	₦'000	₦'000	₦'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

NIGERIAN AVIATION HANDLING COMPANY PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Group 2022 ₦'000	Group 2021 ₦'000	Company 2022 ₦'000	Company 2021 ₦'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.

2. **Basis of preparation – Continued**

(d) **Use of estimates and judgments - Continued**

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 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.

2. **Basis of preparation – Continued**

(d) **Use of estimates and judgments – Continued**

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.

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.

2. Basis of preparation - Continued

(d) Use of estimates and judgments - Continued

Impairment of non-financial assets- Continued

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.

2. Basis of preparation – Continued

(d) Use of estimates and judgments – Continued

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.

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.

(b) Foreign currency

Foreign currrency transactions

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

3. **Significant accounting policies - Continued**

(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.

3. **Significant accounting policies - 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.

3. Significant accounting policies - Continued

(f) Financial instruments - Continued

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.

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.

3. Significant accounting policies - Continued

(f) Financial instruments – Continued

i) Classification of non-derivative financial assets – Continued

Debt instruments measured at fair value through other comprehensive income

A debt instrument that meets both the following condition is classified as a financial asset measured at fair value through other comprehensive income.

• The financial asset is held within the Group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

• 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 debt instrument measured at fair value through other comprehensive income is recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to profit or loss when debt instrument is derecognized.

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.

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

Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or has assumed an obligation to pay those cashflows to one or more recipients, subject to certain criteria.
Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

ii. Non-derivative financial liabilities.
Recognition and measurement of financial liabilities
The Group recognizes financial debt when the Group becomes a party to the contractual provisions of the instruments. The measurement of financial debt is explained in (b) Classification of financial liabilities.

3. Significant accounting policies - Continued

(f) Financial instruments - Continued

(b) Classification of financial liabilities

A financial liability other than those measured at fair value through profit or loss is classified as a financial liability measured at amortized cost. A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. After initial recognition, the financial liability is measured at amortized cost based on the effective interest rate method.

(c) Derecognition of financial liabilities

The Group derecognizes a financial liability when the financial liability is distinguished, i.e. when the contractual obligation is discharged or cancelled or expired.

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.

3. Significant accounting policies - Continued

(g) Share Capital - **Continued**

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.

(j) 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	Dec-21	Dec-22	Dec-21
	N'000	N'000	N'000	N'000
Payroll costs allocation				
Operating costs	5,065,776	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.

(k) 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

3. Significant accounting policies - Continued

(k) Provisions - Continued

asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

(l) 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.

(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 acquisiton 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:

3. Significant accounting policies – Continued

(O) Fair value measurement - Continued

• 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
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

3. Significant accounting policies – Continued

(p) Current versus non-current classification - continued

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.

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.

3. Significant accounting policies - Continued

(p) Current versus non-current classification - continued

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-cancellabe 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.

4. Changes in accounting policies and disclosures

4a. 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

4a. **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.

4b. **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.

4b. Standards and interpretations issued not yet effective- continued

IFRS 17- Insurance Contract - Continued

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. This standard is not applicable to the Group.

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.

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	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'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).

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 ₦10.97billion (2021: ₦2.33billion) towards the revenue of the Group.

6. Other income

	Group		Company	
	Dec-22	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'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	351,788	203,812

6. Other income -Continued

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

7. Finance income and expense calculated using effective interest method

	Group		Company	
	Dec-22	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'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	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'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	245,420	5,427	194,441	5,427
	1,006,156	242,950	915,958	242,198
Deferred tax (Note 8c)	162,501	(89,710)	154,783	(79,104)
	1,168,657	153,240	1,070,741	163,094

8. Taxation- continued

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

	Group		Company	
	Dec-22	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'000
At 1 January	961,665	782,670	957,758	745,803
Charge for the year (Note 8a)	1,006,156	242,950	915,948	242,198
Payments made during the year	(603,907)	(58,572)	(562,060)	(30,243)
Withoking tax offset	(570,952)	(5,383)	(570,952)	-
At 31 December	792,962	961,665	740,704	957,758

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

	Group		Company	
	2022	2021	2022	2021
	₦'000	₦'000	₦'000	₦'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% (2020: 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	245,420	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	1,168,657	153,240	1,070,741	163,094
Effective tax rate (%)	31	14	30	22

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

	Group		Company	
	Dec-22	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'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

8. Taxation- continued

Group	Statement of Financial Position		Statement of Comprehensive Income	
	2022	2021	2022	2021
	₦'000	₦'000	₦'000	₦'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		

Deferred tax relates to the following:

Company	Statement of Financial Position		Statement of Comprehensive Income	
	2022	2021	2022	2021
	₦'000	₦'000	₦'000	₦'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		

4a. **Standards and interpretations effective for the first time for 31 December 2022 year end** - continued

Reference to the Conceptual Framework IV Amendments to IFRS 3 - Continued
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.

* 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.

9b. 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
Filling, 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

9b. Administrative expenses - Continued

9b (i). Other administrative expenses:

	Group		Company	
	22-Dec	21-Dec	22-Dec	21-Dec
	₦'000	₦'000	₦'000	₦'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.

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

	Group		Company	
	Dec-22	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'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 services to the Group, with a total fee of ₦'3.5 million.

9c. **Expected credit losses/(write-back)**	Group Dec-22 ₦'000	Group Dec-21 ₦'000	Company Dec-22 ₦'000	Company Dec-21 ₦'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
	237,392	2,724	238,547	(33,456)

9d. **Depreciation and Amortization**	Group Dec-22 ₦'000	Group Dec-21 ₦'000	Company Dec-22 ₦'000	Company Dec-21 ₦'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
	982,548	1,063,513	956,103	1,032,170
Depreciation and amortization allocation:				
Operating Costs	810,953	892,348	792,872	885,060
Administrative expenses	171,595	171,165	163,231	147,110
	982,548	1,063,513	956,103	1,032,170

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 ₦2,658.3billion (2021: N743.19million) (Company: 2022: N2.548 billion and 2021: ₦579.73million) 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 Dec-22 ₦'000	Group Dec-21 ₦'000	Company Dec-22 ₦'000	Company Dec-21 ₦'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

11. Property, Plant and Equipment - Group

GROUP	Land ₦'000	Building ₦'000	Plant & Machinery ₦'000	Motor Vehicles ₦'000	Computer Equipment ₦'000	Furniture & Equipment ₦'000	Capital WIP ₦'000	Total ₦'000
COST:								
At I 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

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)

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.

iii. Write off: This represents costs that have been capitalized as part of asset which did not meet capitalization criteria in line with IAS 16.

iv. 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

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

i. None of the items of Intangible asset has been pledged for securities for liabilities during the year. (2021; Nil)

ii. Intangible asset consist of Oracle ERP, Hemes, Windows and Galaxy applications

15. Investment property

Group Company

	Dec-22 ₦'000	Dec-21 ₦'000	Dec-22 ₦'000	Dec-21 ₦'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 ₦687.4million (2021: ₦676m). Total rental revenue from the investment property for the year ended 31 December 2022 was ₦208.633million (2021: ₦72.351million). 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.

	Company & Group	
	Dec-22 ₦'000	Dec-21 ₦'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.

16. Investment in subsidiaries

	Company	
	Dec-22 ₦'000	Dec-21 ₦'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 ₦10million ordinary shares of N1 each in this subsidiary, representing 100 percent of the issued share capital of ₦10million. The principal activity of this subsidiary is the management and operation of Free Trade Zone which includes leasing of plant and equipment, logistics, warehousing, transhipment, manufacturing and provision of related services. NAHCO FTZ was granted approval to operate at the Murtala Mohammed International Airport, Lagos as NFZ by the Nigerian Export Processing Zone Authority (NEPZA) in February 2014 and the applicable fees have been paid. The company has since commenced activities towards making the zone operational.

(ii) **NAHCO Energy and Infrastructure Limited**
The company holds ₦25.5million ordinary shares of ₦1 each in this subsidiary representing 63 percent of the issued share capital of ₦40.5million. 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.

16. Investment in subsidiaries - Continued

(iii) Mainland Cargo Options Limited

The company holds 4million ordinary shares in the subsidiary representing 40% of the issued share capital of ₦10Million. 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:

Proportion of equity interests held by non-controlling interests	"Country of incorporation and Operation"	22.20%	22.20%
		31/12/2022	31/12/2021
Mainland Cargo Options Limited	**Nigeria**	**₦'000**	**₦'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 fromoperating 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

Other current assets comprise of:	Group Dec-22 ₦'000	Group Dec-21 ₦'000	Company Dec-22 ₦'000	Company Dec-21 ₦'000
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	-	-	-	-

18. Inventories

	Group Dec-22 ₦'000	Group Dec-21 ₦'000	Company Dec-22 ₦'000	Company Dec-21 ₦'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 ₦77.3million (2021: ₦99.43million). This is recognized in operating costs. ₦43.32million 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

Prepayments comprise:	Group Dec-22 ₦'000	Group Dec-21 ₦'000	Company Dec-22 ₦'000	Company Dec-21 ₦'000
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	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'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.

20.1 Summary of financial and non-financial assets:

	Group Dec-22	Group Dec-21	Company Dec-22	Company Dec-21
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	Dec-21
	₦'000	₦'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 21a)	(12,221)	(11,864)
	627,893	609,276

21a. Allowance for expected credit losses of intercompany receivables

	Dec-22	Dec-21
	₦'000	₦'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.

21b. 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 ₦'000	Rent/ service charge ₦'000	Amounts due from related parties ₦'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.

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 ₦30 million (2021: ₦17million) and is deferred subject to performance conditions of the Group and individuals.

21b. Related party transactions - Continued

Key management personnel comprised:

	Group 2022	Group 2021	Company 2022	Company 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 2022 ₦'000	Group 2021 ₦'000	Company 2022 ₦'000	Company 2021 ₦'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

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 Dec-22 ₦'000	Group Dec-21 ₦'000	Company Dec-22 ₦'000	Company Dec-21 ₦'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.

22. Cash and cash equivalents-continued

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

	Group		Company	
	Dec-22	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'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

22b. Debt instrument at Amortized costs

	Group		Company	
	Dec-22	**Dec-21**	**Dec-22**	**Dec-21**
	₦'000	**₦'000**	**₦'000**	**₦'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.

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

	Group		Company	
	Dec-22	**Dec-21**	**Dec-22**	**Dec-21**
	₦'000	**₦'000**	**₦'000**	**₦'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	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'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.

24. Share premium

	Group		Company	
	Dec-22 ₦'000	Dec-21 ₦'000	Dec-22 ₦'000	Dec-21 ₦'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 ₦ x........ 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..

26. Retained earnings

	Group		Company	
	Dec-22 ₦'000	Dec-21 ₦'000	Dec-22 ₦'000	Dec-21 ₦'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.

26b. Changes in liabilities arising from financing activities

	1 January 2022 ₦'000	Dividend declared ₦'000	Cash flows ₦'000	31 December 2022 ₦'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 ₦'000	Dividend declared ₦'000	Cash flows ₦'000	31 December 2021 ₦'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

26. Retained earnings - Continued

26c. Dividend Per share

	Group Dec-22 ₦'000	Group Dec-21 ₦'000	Company Dec-22 ₦'000	Company 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

	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	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

	₦'000	₦'000
Current	20,952	23,414
Non-current	1,142,809	1,163,761
	1,163,761	1,187,175

Company

Cost	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

28. Lease Liabilities - Continued

	2022	2021
	₦'000	₦'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	2022 Company
	₦'000	₦'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	2021 Company
	₦'000	₦'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:

	Group		Company	
	Dec-22	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'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.

29.1 Other payables

	Group		Company	
	Dec-22	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'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	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'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 ₦610.95 million (2021: ₦578.11million) 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.

30. Deferred income

	Group		Company	
	Dec-22	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'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	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'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	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'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.

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	Dec-21	Dec-22	Dec-21
	₦'000	₦'000	₦'000	₦'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

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.

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 Days past due							
	Current	1 - 30 days	31 - 90 days	91-120 days	121 - 180 days	181-360 days	After360 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	After360 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

32. Financial Risk Management objectives and policies - Continued

The Group
31 December 2021

	Trade receivables Days past due							
	Current	1 - 30 days	31 - 90 days	91-120 days	121 - 180 days	181-360 days	After 360 days	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
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
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
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

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.

32. Financial Risk Management objectives and policies - Continued

An analysis of ECL allowances is as follows:

	Group 2022 Short-term deposits ₦'000	Treasury bills ₦'000	Total ₦'000	Company 2022 Intercompany receivables ₦'000	Short term deposits ₦'000	Treasury bills ₦'000	Total ₦'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 Stage 1 Individual ₦'000**	**2022 Total ₦'000**	**Company Stage1 Individual ₦'000**	**2022 Total ₦'000**
Internal grading system				
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	-	-	-	-

32. Financial Risk Management objectives and policies - Continued

Expected credit losses of financial assets Internal grading system	Group Stage 1 individual	2022 Total	Company Stage1 individual	2022 Total
Impairment allowance for treasury bills	N'000	N'000	N'000	N'000
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	-	-	-	-

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 31December	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 21a)	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 2022 Stage 1 individual N'000	Total N'000	Company 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 31December	672,659	672,659	552,230	552,230

32. Financial Risk Management objectives and policies - Continued

Expected credit loss allowance for short term deposits

	Group Individual 2022 N'000	Total 2022 N'000	Company 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

31 December 2021

	Group 2021 Short term deposit ₦'000	Treasury bills ₦'000	Total ₦'000	Company 2021 Intercompany receivables ₦'000	Short term deposit N'000	Treasury bills N'000	Total N'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

Treasury bills	The Group 2021 Stage 1 individual ₦'000	Total ₦'000	The Company 2021 Stage 1 individual ₦'000	Total ₦'000
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

32. Financial Risk Management objectives and policies - Continued

Intercompany receivables

	Company 2021 Stage 1 individual ₦'000	Company 2021 Total ₦'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 Stage 1 individual ₦'000	2021 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 Stage 1 individual ₦'000	Total ₦'000	Company 2021 Stage 1 individual ₦'000	Total ₦'000
Gross carrying amount at 1 January	369,119	369,119	308,649	308,649
New assets originated or purchased (Note 22)	1661,826	1,661,826	1,591,043	1,591,043
Assets derecognised or repaid (excluding write offs)	(369,119)	(369,119)	(308,649)	(308,649)
Gross carrying amount at 31 December	1,661,826	1,661,826	1,591,043	1,591,043

Expected credit losses on short term deposit

	Group 2021 Stage 1 individual ₦'000	Total ₦'000	Company 2021 Stage 1 individual ₦'000	Total ₦'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

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 ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1-5 years ₦'000	> 5 years ₦'000	Total ₦'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

	Carrying amount ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1-5 years ₦'000	> 5 years ₦'000	Total ₦'000
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.

32. Financial Risk Management objectives and policies - Continued

Company

	Carrying amount ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1-5 years ₦'000	> 5 years ₦'000	Total ₦'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

	Carrying amount ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1-5 years ₦'000	> 5 years ₦'000	Total ₦'000
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.

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%	7,949
			-5%	(7,949)
	Trade Payable	1,684	5%	38,861
			-5%	(38,861)
	Cash and bank balances	439	-5%	(10,148)
			5%	10,148
2021	Trade payable	1,029,813	5%	21,684
			-5%	(21,684)
	Cash and bank balances	415,425	-5%	(9,035)
			5%	9,035

			Change in EURO rate	Effect on profit before tax ₦'000
2022	Cash and balances	-	5%	-
		-	-5%	-
2021	Cash and balances	512	5%	26
			-5%	(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%	6
			-5%	(6)

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

32. Financial Risk Management objectives and policies - Continued

The table below show financial instruments by their measurement bases:
Group

At 31 December 2022	Amortised cost ₦'000	Fair value ₦'000	Carrying amount ₦'000
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 At 31 December 2021	Amortised cost ₦'000	Fair value ₦'000	Carrying amount ₦'000
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

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%

33. Capital management -Continued

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.

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	Dec 21	Dec 22	Dec 21
	₦'000	₦'000	₦'000	₦'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.

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

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.

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 ₦'000	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000
Asset for which fair value are disclosed (Note 15):				
Investment property		-	-	687,400

	31-Dec-21 ₦'000	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'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 ₦'000	2021 ₦'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. Revenue - Continued

35a. 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'.

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.

35b. 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

35c. 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. Revenue - Continued

35d. 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;

	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 than1,000,000	-	-
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	40,000	75,000

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 ₦539.091 million (2021: ₦135million). 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.

30. 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.

NIGERIAN AVIATION HANDLING COMPANY PLC

VALUE ADDED STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Group 2022 ₦'000		Group 2021 ₦'000		Company 2022 ₦'000		Company 2021 ₦'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	
	17,138,600		10,560,087		16,506,131		10,071,379	
Bought in materials & service	(4,872,181)		(3,122,516)		(4,593,652)		(2,973,881)	
	12,266,419		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	1,006,156	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
	12,266,419	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

NIGERIAN AVIATION HANDLING COMPANY PLC

FIVE-YEAR FINANCIAL SUMMARY

GROUP	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'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	8,803,356	7,951,385	8,308,382	7,821,663	6,454,876
Current assets	9,924,270	8,490,205	5,444,052	6,887,838	5,890,994
Total assets	18,727,377	16,441,590	13,752,434	14,709,501	12,345,870
Non-current liabilities	2,021,017	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	9,701,124	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	6,368,769	4,291,570	3,722,982	3,908,117	3,596,973
Total equity	9,095,636	7,018,437	6,449,849	6,634,984	6,323,840
Total equity and liabilities	18,727,377	16,441,590	13,752,434	14,709,501	12,345,870

NIGERIAN AVIATION HANDLING COMPANY PLC

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	9,386,682	8,513,087	5,540,787	6,987,037	5,961,973
Total assets	18,029,171	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	7,369,390	7,409,016	5,043,373	5,775,477	4,901,277
Total liabilities	9,404,096	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	18,029,171	16,283,799	13,641,769	14,559,302	12,819,084