

RC:813022

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2024**

**GBENGA BADEJO & CO.
(CHARTERED ACCOUNTANTS)**

A Correspondent Firm of Reanda International. An international network of independent accounting and consulting firms.

SKYWAY AVIATION HANDLING COMPANY PLC

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SKYWAY AVIATION HANDLING COMPANY PLC

CORPORATE INFORMATION

REGISTERED CORPORATION

NUMBER: 813022

TAX IDENTIFICATION NUMBER: 04683753-0001

DIRECTORS:

Barrister (Dr.) Taiwo Afolabi	Chairman
Mrs. Adenike Aboderin	Managing Director
Mr. Babatunde Afolabi	Executive Director
Mr. Abiodun Adegbesan	Executive Director
Mrs. Boma Ukwunna	Executive Director
Mr. Herbert Odika	Executive Director
Dr. Oluropo Owolabi	Non-Executive Director
Barrister Oladipo Kayode Filani	Non-Executive Director
Captain Shehu Iyal	Non-Executive Director
Mr. Anogwi Anyanwu	Independent Director
Dr. Bukola Bello Jaiyesimi	Independent Non-Executive Director
Mrs. Laila Jean St. Matthew-Daniel	Independent Non-Executive Director

PRINCIPAL OFFICERS:

Mrs. Adenike Aboderin	Managing Director/CEO
Mr. Abiodun Adegbesan	Executive Director - Finance and Admin.
Mrs. Boma Ukwunna	Executive Director - Cargo Services
Mr. Babatunde Afolabi	Executive Director IT and Business Development
Mr. Herbert Odika	Executive Director - Operations
Mr. Rotimi Omotoso	Chief Financial Officer
Mr. Olugbenga Okeowo	GM - Operations
Mr. Donald Adekunle	GM - Cargo Services
Ms Jesuyemisi Odeyemi	GM - Legal/ Company Secretary
Mr. James Oriowo	AGM - Engineering and Maintenance
Mr. Hamzat Bola Olaniyan	AGM - Billing
Mr. Yinka Afolabi Ogungbemi	AGM - Admin Services and Project
Mr. Taiwo Olayemi Mogaji	AGM - Internal Control
Mrs. Christie Oseghale	AGM - Safety and Quality Assurance
Miss Bukola Amele	Head - Human Resources
Mrs Bukola Oyinloye	Head - Information Technology
Mr. Bamaiya Gumuti	Head - Security
Mr. Benjamin Akinola	Head - Internal Audit
Mrs. Vanessa Adetola Uansohia	Head - Corporate Communications
Mr. Ifeanyi Onunkwo	Head - Training
Mr. Folarin Ilemoboye	SM- Procurement

REGISTERED OFFICE ADDRESS 54, Warehouse Road, Apapa, Lagos State

OPERATIONAL OFFICE ADDRESS: Skyway Aviation Handling Company Plc. Complex,
Cargo Terminal,
Murtala Muhammed International Airport,
Ikeja,
Lagos State.

COMPANY SECRETARY: Jesuyemisi Odeyemi
Skyway Aviation Handling Company Plc. Complex,
Cargo Terminal,
Murtala Muhammed International Airport,
Ikeja,
Lagos State..

SKYWAY AVIATION HANDLING COMPANY PLC

CORPORATE INFORMATION (CONTINUED)

PRINCIPAL BANKERS:	Access Bank Plc. Ecobank Nigeria Limited Fidelity Bank Plc. First Bank of Nigeria Limited First City Monument Bank Plc. Guaranty Trust Bank Limited Keystone Bank Limited. Lotus Bank Limited Nova Bank Limited Parallex Bank Limited Polaris Bank Limited Providus Bank Limited Stanbic IBTC Bank Plc. Sterling Bank Plc. Union Bank of Nigeria Limited United Bank for Africa Plc. Wema Bank Plc. Zenith Bank Plc.
INDEPENDENT AUDITORS	Gbenga Badejo and Co. (Chartered Accountants) <i>A Correspondent Firm of Reanda International</i> Plot 8A, Ajumobi Olorunoje Street, Off Acme Road, By First Bank, Agidingbi, Ikeja, Lagos State Tel.: 0809-622-7865. 0916-901-9711 Email: info@gbc-consult.com www.gbc-consult.com
SOLICITORS	Justification Law Firm 7, Kolawole Odunsi Street, Off Unity Road, Mobolaji Bank, Anthony way, Ikeja, Lagos State.
REGISTRARS:	Apel Capital Registrars Limited 8, Alhaji Bashorun Street, Off Norman Williams Street, Ikoyi, Lagos State.
ADVISERS	J. Ajayi Patunola & Co. FRC/2013/0000000000679 Estate Surveyors & Valuers 3, Adelabu Close, Opp Custom Training College Gate, Off Ola-Ayinde/Toyin Street, Ikeja, Lagos State. Seyi Katola & Co. (Chartered Accountants) FRC/2013/ICAN/00000003609 Actuarial Valuers 1, Babatunde Ladega Street Omole Bus-Stop Lagos State.

SKYWAY AVIATION HANDLING COMPANY PLC

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024 N'000	2023 N'000	Increase / (Decrease) N'000	%
STATEMENT OF FINANCIAL POSITION ITEMS:				
Total Assets	41,779,738	34,065,897	7,713,841	23
Non-Current Assets	21,582,059	20,968,577	613,482	3
Total Liabilities	12,513,991	11,285,550	1,228,442	11
Borrowings	2,742,265	3,496,527	(754,263)	(22)
Retained Earnings	10,823,937	6,396,426	4,427,512	69
Ordinary Share Capital	676,790	676,790	-	-
Equity	29,265,747	22,780,348	6,485,399	28
Non-current liabilities	5,644,742	6,409,158	(764,416)	(12)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ITEMS:

Revenue	28,941,270	16,546,685	12,394,585	75
Direct Cost	12,564,659	8,350,701	4,213,958	50
Gross Profit	16,376,611	8,195,984	8,180,627	100
Administrative Expenses	10,047,156	5,473,249	4,573,907	84
Profit Before Income Tax Expenses	6,486,469	2,630,287	3,856,182	147
Profit for the year	4,833,586	1,954,678	2,878,907	147
Total Other comprehensive Income	2,057,888	1,511,090	546,797	36

RATIOS:

Gross Profit	%	57	50	7	14
Direct Cost to Revenue Ratio	%	43	50	(7)	(14)
Administrative Expenses to Revenue Ratio	%	35	33	2	5
Net Profit	%	17	12	5	41
Current Ratio	2.1	2.94	2.69	0	9
Return on Capital Employed	%	17	9	8	92
Gearing	%	15	18	(4)	(21)

PER SHARE DATA

Earnings Per Share	Naira	3.57	1.46	2	145
Dividend Per Share	Kobo	60.00	30.00	30	100
Dividend Pay Out Ratio	%	16.80	21	(4)	(19)
Net Assets Per Share	Naira	22	17	5	28
Number of Issued Ordinary Share Capital	Units	1,353,580,000	1,353,580,000	-	-
Market Capitalisation	Naira	45,277,251,000	34,313,253,000	10,963,998,000	32
Market price per share	Naira	33.45	25.35	8	32

Current ratio indicates the company's ability to absorb its current liabilities from its current assets.

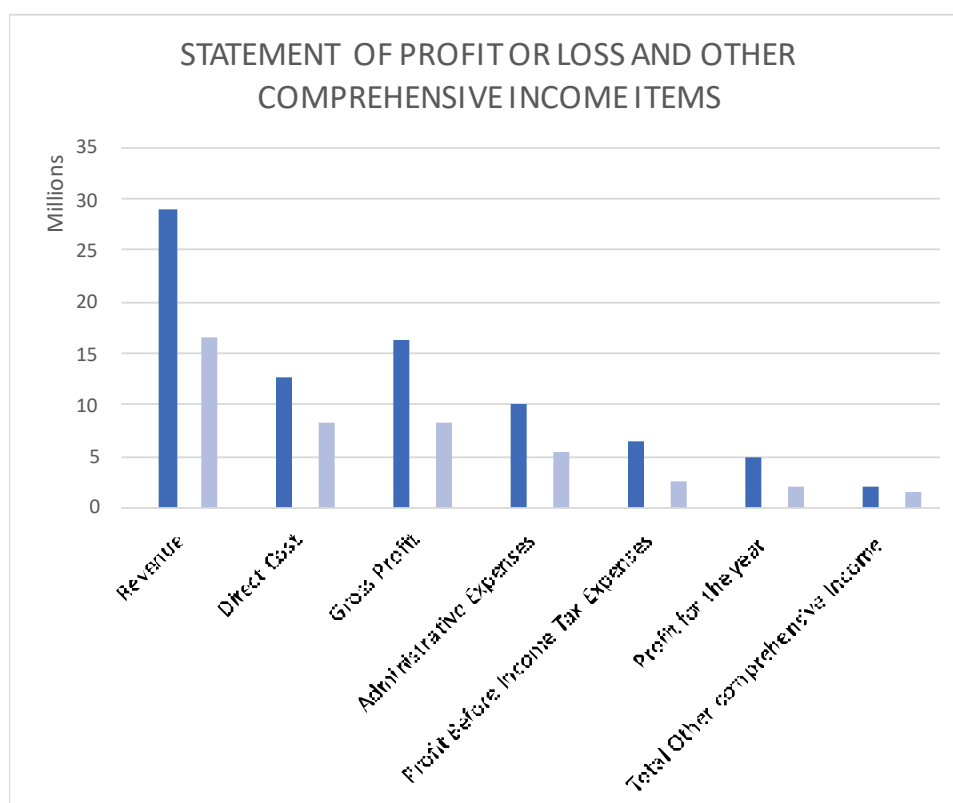
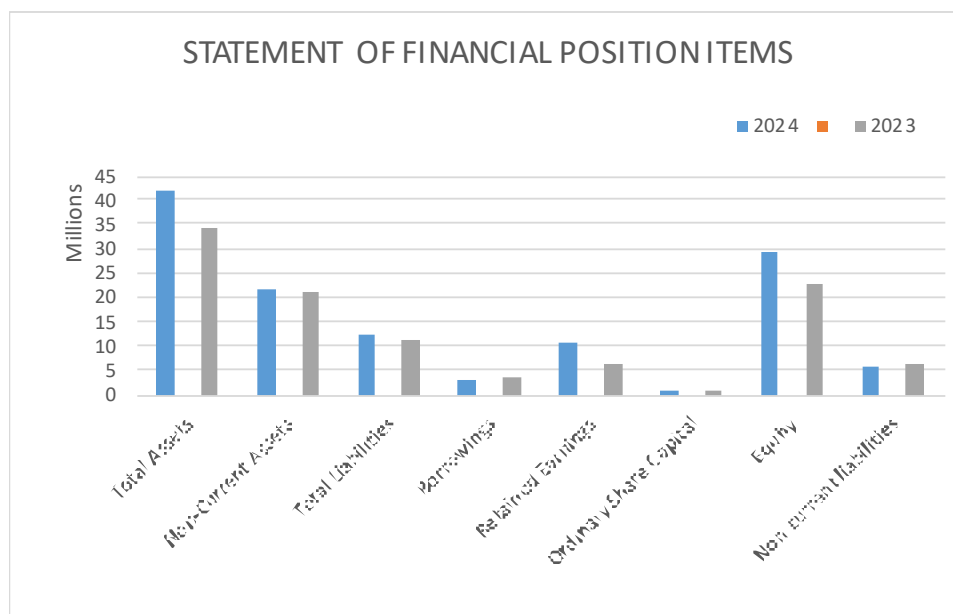
Return on capital employed (ROCE) ratio measures the company's profitability and the efficiency with which its capital is employed.

Gearing ratio measures the proportion of the company's borrowed funds to its equity.

Earnings per share and net assets per share are based on profit after income tax expense and net assets respectively and the number of issued and fully paid ordinary shares at the end of each financial year.

SKYWAY AVIATION HANDLING COMPANY PLC

FINANCIAL HIGHLIGHTS - GRAPHICAL REPRESENTATION FOR THE YEAR ENDED 31 DECEMBER, 2024



SKYWAY AVIATION HANDLING COMPANY PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER, 2024

The Directors are pleased to present their annual report on the state of affairs of the Company (also referred to as SAHCO PLC) together with the financial statements for the year ended 31 December 2024.

1 PRINCIPAL ACTIVITIES

The principal activities of the Company include provision of aviation handling services including aircraft/ramp handling, cargo handling, passenger handling, premium lounge, aviation security and baggage reconciliation.

2 LEGAL FORM

The Company was incorporated on the 21st of April 2009, on 3rd of December, 2009, SIFAX Shipping Limited and Global Apex Logistic Limited through Skyway Aviation Handling Company Limited acquired 100% interest of the Federal Government in Skypower Aviation Handling Company Limited due to the privatisation of the company.

Skyway Aviation Handling Company Limited became a Public Limited Liability Company on 5th October, 2018.

The Corporate Headquarters is located at Skyway Aviation Handling Company Plc. Complex, Cargo Terminal, Murtala Muhammed International Airport, Ikeja, Lagos State.

3 RESULT FOR THE YEAR

Highlights of the Company's operating results for the year ended 31 December 2024 is as follows: -

	31 December 2024 N'000	31 December 2023 N'000	%
Revenue	28,941,270	16,546,685	75
Profit Before Income Tax Expenses	6,486,469	2,630,287	147
Income Tax Expense	(1,652,883)	(675,609)	145
Profit After Income Tax Expenses	4,833,586	1,954,678	147
Total Other Comprehensive Income	2,057,888	1,511,090	36
Total Comprehensive Income	6,891,473	3,465,769	99
Earnings Per Share (Naira)	3.57	1.46	145

4 OPINION OF THE DIRECTORS

In the opinion of the Board of Directors: -

i. The Financial Statements of the Company together with the notes therein are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December, 2024 and of the financial performance, changes in equity and cash flows for the year then ended and;

ii. As at the date of reporting, there are reasonable grounds to believe that the Company will be able to pay its liabilities as and when they fall due.

SKYWAY AVIATION HANDLING COMPANY PLC

REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

5 DIRECTORS AND DIRECTORS' INTEREST

The names of the Directors that served during the year under review are detailed on page 2. The interests of the Directors in the Issued Ordinary Share Capital of the company are listed below in accordance with Section 301 of the Companies and Allied Matters Act, CAP C20 LFN 2020 and the listing requirements of the Nigerian Exchange Limited:

Number of shares held (Unit) As at 31 December 2024

Directors	Direct	Indirect		
Barr. Dr. Taiwo Afolabi	379,041,989	443,331,091 (SIFAX Shipping Ltd)		
Dr. Bukola Jaiyesimi Bello	-			
Mrs. Laila Jean St. Matthew-Daniel	-			
Dr. Oluropo Owolabi	5,332,500		-	
Bar. Kayode Filani	4,000,000	4,000,000 (Through Kaydidson Nigeria Limited)		
		4,000,000 (Through KFA Investment and Property Dev. Co. Ltd.)		
Mr. Babatunde Afolabi	-		-	
Captain Shehu Iyal	-		-	
Mr. Anogwi Anyanwu	50,000		-	
Mrs. Boma Ukwunna	350,000		-	
Total	388,774,489			

Number of shares held (Unit) As at 31 December 2023

Directors	Direct	Indirect		
Barr. Dr. Taiwo Afolabi	379,041,989	443,331,091 (SIFAX Shipping Ltd)		
Dr. Bukola Jaiyesimi Bello	-			
Mrs. Laila Jean St. Matthew-Daniel	-			
Dr. Oluropo Owolabi	5,332,500		-	
Bar. Oladipo Filani	4,000,000	4,000,000 (Through Kaydidson Nigeria Limited)		
		4,000,000 (Through KFA Investment and Property Dev. Co. Ltd.)		
Mr. Olutoye Ariyo	-		-	
Mr. Babatunde Afolabi	-		-	
Captain Shehu Iyal	-		-	
Mr. Anogwi Anyanwu	50,000		-	
Mr. Basil Agboarumi	55,000		-	
Mr. Olaniyi Adigun	-		-	
Mrs. Boma Ukwunna	-		-	
Total	388,479,489			

6 APPOINTMENT / RESIGNATION OF DIRECTORS

There was an appointment of two new members of the Board of Directors during the year.

APPOINTED

- i Mrs Adenike Aboderin
- ii Mr. Abiodun Adegbesan

SKYWAY AVIATION HANDLING COMPANY PLC

REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

7 ANALYSIS OF SHAREHOLDING

The shareholding structure of the Company is as stated below:

As at 31 December 2024

Range of Shareholding	Num. of Holders	Holder %	Holders Cumulative	Units	Units %	Cumulative Units
1 - 1,000	834	44.29102	834	370,325	0.03	370,325
1,001- 5,000	445	23.6325	1,279	1,329,431	0.10	1,699,756
5,001- 10,000	166	8.81572	1,445	1,437,285	0.11	3,137,041
10,001- 50,000	302	16.03824	1,747	8,405,540	0.62	11,542,581
50,001- 100,000	45	2.389804	1,792	3,896,934	0.29	15,439,515
100,001- 500,000	60	3.186405	1,852	12,984,651	0.96	28,424,166
500,001- 1,000,000	10	0.531067	1,862	6,817,444	0.50	35,241,610
1,000,000- and above	21	1.115242	1,883	1,318,338,390	97.40	1,353,580,000
Grand Total	1,883	100%		1,353,580,000	100%	

As at 31 December 2023

Range of Shareholding	Num. of Holders	Holder %	Holders Cumulative	Units	Units %	Cumulative Units
1 - 1,000	600	43.60465	600	331,785	0.02	331,785
1,001- 5,000	374	27.18023	974	1,167,091	0.09	1,498,876
5,001- 10,000	134	9.738372	1,108	1,310,248	0.10	2,809,124
10,001- 50,000	174	12.64535	1,282	4,717,878	0.35	7,527,002
50,001- 100,000	38	2.761628	1,320	3,869,123	0.29	11,396,125
100,001- 500,000	33	2.398256	1,353	7,856,723	0.58	19,252,848
500,001- 1,000,000	4	0.290698	1,357	3,075,200	0.23	22,328,048
1,000,000- 5,000,000	10	0.726744	1,367	28,817,200	2.13	51,145,248
10,000,001- 50,000,000	5	0.363372	1,372	179,909,112	13.29	231,054,360
50,000,001-100,000,000	1	0.072674	1,373	58,760,600	4.34	289,814,960
100,000,000- 1,353,580,000	3	0.218023	1,376	1,063,765,040	78.59	1,353,580,000
Grand Total	1,376	100%		1,353,580,000	100%	

SUBSTANTIAL INTEREST IN SHARES

According to the Register of Members as at 31 December, 2024, the following shareholders of the Company held more than 5% of the issued ordinary share capital of the Company;

Shareholders	2024		2023	
	Num. of share	Shareholding (%)	Num. of share	Shareholding (%)
Sifax Shipping Company Limited	443,331,091	32.75	443,331,091	32.75
Afolabi Taiwo	379,041,989	28.00	379,041,989	28.00
Afolabi Folashade	241,816,960	17.86	241,816,960	17.86
	1,064,190,040	78.62	1,064,190,040	78.62

SKYWAY AVIATION HANDLING COMPANY PLC

REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

7.1 FREE FLOAT ANALYSIS

Shareholding Structure/Free Float Status

Description	31 December 2024		31 December 2023	
	Units	Percentage (in relation to issued Share)	Units	Percentage (in relation to issued Share Capital)
Issued Share Capital	1,353,580,000	100%	1,353,580,000	100%
Details of Substantial Shareholdings (5% and above)				
Afolabi Taiwo Olayinka	379,041,989	28.00	379,041,989	28.00
SIFAX Shipping Company Limited	443,331,091	32.75	443,331,091	32.75
Afolabi Folashade A.	241,816,960	17.86	241,816,960	17.86
Total Substantial Shareholdings	1,064,190,040	78.62	1,064,190,040	78.62
Details of Directors Shareholdings (Direct and indirect), excluding directors' holding substantial interests				
Name(s) of Directors				
Afolabi Taiwo Olayinka	-	-	-	-
Aboderin Adenike	-	-	-	-
Adegbesan Abiodun	-	-	-	-
Anogwi Anyanwu (Direct)	50,000	0.004	50,000	0.004
Oluropo Saka Owolabi(Direct)	5,322,500	0.393	5,322,500	0.393
Shehu Usman Iyal	-	-	-	-
Filani Kayode Oladipupo (Direct)	4,000,000	0.296	4,000,000	0.296
Filani Kayode Oladipupo (Indirect)	8,000,000	0.591	8,000,000	0.591
Basil Agboarumi U (Direct)	-	-	55,000	0.004
Olaniyi Alamu Adigun	-	-	-	-
Boma Ukwunna	350,000	0.03	-	-
Afolabi Babatunde Olanrewaju	-	-	-	-
Laila ST. Mathew Daniel	-	-	-	-
Bukola Bello-Jayesimi	-	-	-	-
Total Directors' Shareholdings	17,722,500	1.31	17,427,500	1.29
Share Price as at end of period (₦)	33.45		25.35	
Free Float	271,667,460	20.07	271,962,460	20.09
Free Float in value (₦)	9,087,276,537		6,894,248,361	

Declaration:

SAHCO Plc has a free float of 20.07% as at 31 December 2024 in line with the Nigeria Exchange Limited's rules on the requirement for all listed companies to maintain a free float of 20% and above

SKYWAY AVIATION HANDLING COMPANY PLC

REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

8 DIVIDEND

The Board of Directors, subsequent to the reporting date, recommended the payment of a dividend of 60 kobo (2023: 30 kobo) per share on the issued ordinary share capital of 1,353,580,000 ordinary shares, amounting to NGN812,148,000 (2023:NGN406,074,000). The dividend proposed is subject to the approval of shareholders at the next Annual General Meeting (AGM). Withholding tax will be deducted at the point of payment.

9 EMPLOYMENT AND EMPLOYEES

(a) Employment of disabled persons:

The Company has an employment policy which does not discriminate against the disabled persons.

(b) Health Safety and Welfare

The Company is fully committed to employees' well being and would continue to seek better ways of guaranteeing their well being.

(c) Employees Involvement and Training:

The Company attaches great importance to staff training and encourages employees to pursue self development that will impact positively on the Company's service delivery. The Company is committed to keeping employees as fully informed as possible regarding its focus, performance and progress.

10 GIFTS AND DONATIONS

In accordance with Section 43 (2) of the Companies and Allied Matters Act CAP C20 LFN, 2020, the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year under review.

The Company made contributions to charitable and non-political organisations amounting to ₦221,189,609 (2023:₦122,150,899) during the year. Details of the Charitable Gifts and Donations are as follows;

As at 31 December 2024

									Amounts
									₦
AAA Foundation									12,000,000
Others									209,189,609
									221,189,609

As at 31 December 2023

									Amounts
									₦
AAA Foundation									12,000,000
Others									110,150,899
									122,150,899

SKYWAY AVIATION HANDLING COMPANY PLC

REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

11 PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are shown in Note 13. In the opinion of the Directors, the market value of the Company's property, plant and equipment are not less than the value shown in the financial statements.

12 ACQUISITION OF OWN SHARES

The Company did not purchase any of its own shares during the year (2023-Nil).

13 EVENTS AFTER THE REPORTING PERIOD

- 13.1 A dividend of 60 kobo (2023-30kobo) was proposed by the directors for approval at the Annual General Meeting. This will result in a dividend payment of NGN812,148,000 once it is approved by the shareholders at the Annual General Meeting.

14 WHISTLE BLOWING POLICY

The Board encourages the exposure of unethical practices and all reported cases are investigated while the whistle blower is protected. SAHCO's whistle blowing policy is displayed on the Company's website and strategic places at the Head Office. SAHCO Plc. conducts its business with integrity and diligence and with total consideration for the interest of the shareholders and other stakeholders.

15 COMPLAINTS MANAGEMENT POLICY

SAHCO Plc is committed to providing high standards of services for shareholders including a platform for efficient handling of shareholders' complaints and enquiries, enabling shareholders to have shareholder related matters acknowledged and addressed, providing sufficient resources to ensure the shareholders' complaints and enquiries are dealt with adequately, and in an efficient and timely manner and facilitating efficient and easy access to shareholders' information.

The Company has therefore formulated a Complaint Management policy designed to ensure the complaints and enquiries from the Company's shareholders are managed in a fair, impartial, efficient and timely manner.

Furthermore, this policy has been prepared in recognition of the importance of effective engagement in promoting shareholders / investors' confidence in the company.

This policy sets out the broad framework by which Skyway Aviation Handling Company Plc. ("SAHCO PLC") and its Registrar will provide assistance regarding shareholder issues and concerns. It also provides the opportunity for Skyway Aviation Handling Company Plc.'s shareholders to provide feedback to the company on matters that affect shareholders.

This policy only relates to the Company's shareholders and does not extend to its customers, suppliers or other stakeholders.

SKYWAY AVIATION HANDLING COMPANY PLC

REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

16 INSIDER INFORMATION POLICY

The Company has a policy on insider information and prohibition of Insider dealings as required by rules and regulations and the policy has been made publicly available to all stakeholders.

Skyway Aviation Handling Company Plc.'s Insider Information policy is to generally ensure the board members, employees and its external stakeholders who have knowledge of confidential and potentially price sensitive information are aware of the prohibition imposed by law against using, disclosing (other than in the normal course of the performance of their duties) or encouraging transactions in securities on the basis of such insider information. In addition to obligations imposed by law, Skyway Aviation Handling Company Plc. wants board members, employees and external stakeholders to respect the safeguarding of confidential information and potentially price sensitive information.

17 SAFETY POLICY

SAHCO is committed to ensuring the Conduct and Provision of Safe and Efficient Operations for our Customer Airlines, Aircraft Operators and our Employees. All Managers and Employees are required to have Safety considerations as of prime importance in their job functions.

A Safe operation is the result of combining qualified staff, well-maintained Equipment, appropriate Processes and procedures, adequate Training and Supervision. As Safety is everyone's responsibility, personnel safety reporting process on hazards, anomalies and deficiencies is established. All reported issues are investigated, are reviewed and amended to improve SAHCO's Management System.

This Safety culture is enhanced by embracing human factors principles and includes encouraging personnel to report related errors/ incidents. SAHCO embraces this Just Reporting Policy, whereby no action shall be taken against one reporting an unintentional error, unless such report indicates beyond reasonable doubt, an illegal act, gross negligence or deliberate willful disregard for regulations or procedures.

The Management of SAHCO is committed to support the Management of Safety through allocation of resources and to the principles stated in the safety policy. This policy shall be communicated, understood, implemented at all levels within the Organization and shall be periodically reviewed. The Management of SAHCO is totally committed to the principles stated in this Safety Policy.

It is the responsibility of each and every SAHCO employee to be conscious of the security of its property, its Customers, themselves, and protection of SAHCO business interests at all times.

18 QUALITY POLICY

It is the objective of SAHCO to provide Safe, Reliable and an Efficient Standard of Customer Service. It has chosen Quality as a way and means to realize its goals and thus continuously improve its services, to provide what really meets the aspirations of its Customer Airlines, Aircraft operators and exceeds their expectations.

SKYWAY AVIATION HANDLING COMPANY PLC

REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

18 QUALITY POLICY (CONTINUED)

SAHCO is committed to maintaining the highest standards of Quality and performance in its Operations and Customer Service to accomplish this goal; and will employ the latest technology, methods and procedures.

19 NON-PUNITIVE POLICY (NO BLAME POLICY)

SAHCO encourages a voluntary incident reporting system to facilitate the collection of information that may not be captured by a mandatory incident reporting system and provides immunity from disciplinary action for employees that report Safety and Security deficiencies, hazards or occurrences. This policy is in the true spirit of ICAO Annex 13 document.

All SAHCO Personnel are encouraged to report Safety concerns and errors and to cooperate with the investigation of incidents. The Primary aim is to identify the causes and eliminate them, and not to identify and punish the individuals concerned". It is a SAHCO policy that an unpremeditated or inadvertent lapse will not incur any punitive action, but a breach of professionalism may do so. It may be necessary to suspend an individual pending an investigation. This should not be interpreted as punitive action but, rather, as a precautionary measure.

It is reiterated that a voluntary incident reporting system is non-punitive and affords protection to the sources of information i.e. the concerned employee. However, in the case of willful negligence, intentional violation and the use of illicit substances the non-punitive immunity will not apply.

20 SECURITY POLICY

It is the responsibility of each and every SAHCO employee to be conscious of the security of its property, its Customers, themselves, and protection of SAHCO business interests at all times".

21 ALCOHOL AND DRUG POLICY

SAHCO is committed to providing and maintaining a working environment in which its employees are not exposed to hazards arising from the use and abuse of alcohol and/or drugs. We have a "zero tolerance" policy for the consumption of alcohol or the use of non-prescriptive drugs whilst on duty. All employees are required to report for work in a fit and proper condition in order to perform their duties in a safe and efficient manner. Any employee found under the influence of alcohol or non-prescriptive drugs / psychoactive substances - drugs that are considered clinically harmful to disorient normal human functioning and endanger operational safety shall be removed immediately from safety critical functions and strict disciplinary action including termination of services will be initiated against the staff.

All employees have a legal obligation not to endanger themselves or others because of being in an alcohol or drug impaired condition, either within or outside the workplace. Employees are required to disclose to their manager or supervisor the use of any prescriptive drugs or medicines for the treatment of sickness or illness that may affect their performance or behavior. This is extremely important for personnel assigned duties in the operational area and safety critical functions. Such personnel shall be redeployed to functions that are not directly associated with operations.

SKYWAY AVIATION HANDLING COMPANY PLC

REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

22 SEXUAL HARASSMENT POLICY

SAHCO is committed to ensuring that all staff enjoys a workplace free from sexual harassment. Our commitment is to create and sustain a work environment that supports mutual trust and assists each individual to reach his or her maximum potential. Sexual harassment is considered to be a form of unacceptable behaviour that will not be tolerated under any circumstances. Individuals found to have breached this policy or found engaging in a sexually harassing conduct are subjected to appropriate disciplinary action that may include instant dismissal.

This policy applies to all staff including Management, Supervisors, full time, part time, temporary, contract, and casual employees.

23 ENVIRONMENTAL POLICY

SAHCO aims to ensure that the highest standard of environmental care is achieved and will continually seek new ways to maintain and improve these high standards. Our employees must ensure that all reasonable steps are taken to improve our impact upon the environment and to ensure compliance with all relevant environment legislation. Every employee through his daily work has a potential impact on our environment. As an employee we expect all staff to adhere to the company's philosophy and policies in relation to the environment.

24 INTEGRITY

The Company strives to maintain the highest standards of integrity in its operation. Accordingly, the Company condemns and does not give nor receive directly or otherwise any bribes, gratifications or obtain improper advantages for any business or financial gains. It is our policy to avoid any situation that will impact negatively on our operations.

25 GOING CONCERN STATUS

The Directors have made 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 in the years ahead.

Resulting from the above, the directors have a reasonable expectation that the company has adequate resources to continue operations for the foreseeable future. Thus, directors continued the adoption of the going concern basis of accounting in preparing the annual financial statements.

26 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements for the year ended 31 December, 2024 have been approved for issue by the Directors on 27 March, 2025.

SKYWAY AVIATION HANDLING COMPANY PLC

REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

27 AUDITORS

Messrs. Gbenga Badejo & Co. (Chartered Accountants), having satisfied the relevant corporate governance rules on their tenure in office, have indicated their willingness to continue in office as auditors to the Company. In accordance with Section 401 (2) of the Companies and Allied Matters Act of Nigeria, 2020 therefore, the auditor will be re-appointed at the next annual general meeting of the Company .

BY ORDER OF THE BOARD



Jesuyemisi Odeyemi
Company Secretary
FRC/2023/PRO/ICSAN/002/887904

Dated this: 27 March, 2025

SKYWAY AVIATION HANDLING COMPANY PLC

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER, 2024

The Companies and Allied Matters Act (sections 377 and 378) , CAP C20 LFN, 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 Company at the end of the year and its profit or loss. The responsibilities include ensuring that the company;

- (a) Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2020:
- (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 judgments and estimates, and are consistently applied.

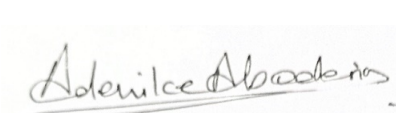
The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board, and the requirements of the Financial Reporting Council of Nigeria Act, 2023 and the Companies and Allied Matters Act, CAP C20 LFN, 2020.

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 company and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statement, as well as adequate systems of internal financial control.

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



.....
Barr. (Dr.) Taiwo Afolabi
Chairman
FRC/2015/PRO/NBA/002/00000013106
Date: 27 March, 2025



.....
Mrs. Adenike Aboderin
Managing Director/CEO
FRC/2021/PRO/DIR/003/00000022723
Date: 27 March , 2025



.....
Mr. Abiodun Adegbesan
Executive Director Finance
FRC/2024/PRO/DIR/003/831228
Date: 27 March, 2025

SKYWAY AVIATION HANDLING COMPANY PLC

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER, 2024

Skyway 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 Company has undertaken to create the institutional framework conducive to defending the integrity of our directors and is convinced that, on account of this, the Board of "SAHCO PLC" 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.

Relationship with Shareholders

As a deliberate policy, SAHCO PLC maintains an effective and candid communication with its shareholders which enables them to understand the Company'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 Company strives at all times 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 Managing Director/CEO.

Shareholders' responsibilities

The shareholders' role is to approve appointments to the board of directors and the external auditors as well as to grant approval for certain corporate actions that are by legislation or the company's articles of association specifically reserved for shareholders. Their role is extended to holding the board accountable and responsible for efficient and effective corporate governance.

THE BOARD

The names of Directors who held office during the year and at the date of this report are as follows:

Non-Executives Directors.

1. Dr. Taiwo Afolabi
2. Mr. Kayode Filani
3. Dr. Bukola Bello Jaiyesimi
4. Dr. Oluropo Owolabi
5. Captain S.U Iyal

Executive Director

6. Mrs. Adenike Aboderin
7. Mr. Abiodun Adegbesan
8. Mrs. Boma Ukwunna
9. Mr. Babatunde Afolabi
10. Mr. Herbert Odika

Independent Director

11. Mr. Anogwi Anyanwu
12. Mrs. Laila St. Matthew Daniel

SKYWAY AVIATION HANDLING COMPANY PLC

CORPORATE GOVERNANCE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

Board Structure and Independence

The Board is made up of a group of individuals from diverse academic and professional background. The Board size is in line with Corporate Governance and International best practices. Ultimate responsibility for governance rests with the board of directors of the company, who ensure that appropriate controls, systems and practices are in place. The company has a unitary board structure where the roles of Chairman and Chief Executive Officer are separate and distinct in accordance with corporate governance best practices. The company's Chairman is a non-executive director. The majority of directors on the Board are non-executive directors of which one is an independent director; with no material relationship with the company except as directors'. The number and structure of non-executive directors ensure that sufficient consideration and debate are brought to bear on decision thereby contributing to the efficient running of the board.

Working Procedures

The Board meets at least once every quarter. Additional meetings are scheduled whenever matters arise which require the attention of the Board. Prior to meetings, the company secretariat circulates the agenda for the meeting along with all documents the Directors would be required to deliberate upon. This enables the Directors to contribute effectively at the Board Meetings.

The Board through the Company Secretary keeps detailed minutes of its meetings that adequately reflect the Board's discussions.

Constructive Use of Annual General Meeting

The notice of meeting is sent to shareholders at least 21 days before the AGM. The Directors encourage the participation of shareholders at the AGM, and are available both formally during the meeting and informally afterwards for questions. The Chairperson of each Committee including the Audit Committee and Governance and Nominations Committee are available to answer questions at the AGM.

Re-Election of Directors

In accordance with the Section 285 of CAMA all directors shall retire from office at the first annual general meeting of the company and in every subsequent year, one third of the Directors who are longest in office since their last appointment or election are required to retire by rotation and, if eligible offer themselves up for re-election. The Board has the power to appoint a new director and any director so appointed is subject to Shareholder election at the next Annual General Meeting (AGM).

In line with the above one third of the longest serving directors are retiring and presenting themselves for re-election at the Company's next AGM.

Appointment of Audit Committee

According to Section 404(4) of CAMA, all Public Companies are mandated to have a Statutory Audit Committee to ensure accounting and reporting policies of the Company is in accordance with legal requirements and agreed ethical standards. The Committee shall have a maximum of six (6) members of which three (3) shall be Shareholder representative and three (3) (Non-Executive) directors. Therefore, Shareholders are requested to vote to elect the nominees to serve on the Audit Committee for the financial year.

1. Mrs. Samiat Odunuga (Shareholders' Representative)
2. Mr. Ismaila Adamu (Shareholders' Representative)
3. Mr. Rotimi Aina (Shareholders' Representative)

In addition to the three representatives of the Shareholders to be elected at the meeting, the following two members of the Board who are retiring and have presented themselves for re-election, are being proposed as the three designated Board Members of the Statutory Audit Committee for the 2024 financial year.

4. Mr. Anogwi Anyanwu (Director)
5. Mrs Laila St. Matthew Daniel (Director)

SKYWAY AVIATION HANDLING COMPANY PLC

CORPORATE GOVERNANCE REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER, 2024

Board Appointment Process

To ensure the highest standards of corporate governance, the Governance and Nominations Committee have the overall responsibility for the appointment process subject to final approval by the Board. The fundamental principles of the process includes: evaluation of the balance of skills, knowledge and experience on the Board, leadership needs of the company and the ability of the candidate to fulfill his/her skill and obligations as a Director.

Board Authority

A range of decisions are specifically reserved for the Board to ensure it retains proper direction and control of the Company. The board is entitled to delegate some of these functions to the Executive Directors who are responsible for the day to day management of the business or to Committees of the Board. The Delegation of Authority Policy sets the financial limits on the decisions that can be taken by Executive Directors and various Committees of the Board.

The schedule of matters reserved for the Board includes (but is not limited to) the following:

- Strategy and objectives.
- Business plans and budgets
- Changes in capital and corporate structure.
- Accounting policies and financial reporting
- Internal controls
- Major contracts
- Capital projects
- Acquisitions and disposals
- Board membership

The day-to-day operational management of the Company's activities is delegated to the Chief Executive Officer (CEO) and is supported by the Executive Director Sales and Marketing, Executive Director Business Development, IT and Strategy and Executive Director Cargo Services.

Board Duties and Responsibilities

The Directors act in good faith, with due care and in the best interest of the Company and all its stakeholders. Each Director is expected to attend and actively participate in Board meetings.

The key terms of reference in the board's mandate, which forms the basis for its responsibilities, are to:

- annually review the corporate governance process and assess achievement against objectives;
- review its mandate at least annually and approve recommended changes;
- delegate to the chief executive or any director holding any executive office or any senior executive any of the powers, authorities and discretions vested in the board's directors, including the power of sub-delegation; and to delegate similarly such powers, authorities and discretions to any committee as the board may deem fit from time to time;
- determine the terms of reference and procedures of all board committees and review their reports and minutes;
- consider and evaluate reports submitted by members of the executive;
- review and monitor the performance of the chief executive and the executive team;
- approve the remuneration of non-executive directors on the board and board committees,
- based on recommendations made by the remuneration committee, and recommend to shareholders for approval;
- consider and approve capital expenditure recommended by the executive committee;

SKYWAY AVIATION HANDLING COMPANY PLC

CORPORATE GOVERNANCE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

- consider and approve the annual financial statements, quarterly results and dividend announcements and notices to shareholders, and consider the basis for determining that the group will be a going concern as per the recommendation of the audit committee;
- assume ultimate responsibility for financial, operational and internal systems of control, and ensure adequate reporting on these by committees to which they are delegated

The Company does not prohibit its Directors from serving on other boards. However, Directors should ensure that other commitments do not interfere with the discharge of their duties and shall not divulge confidential or inside information about the Company.

The board adopts the following best practice principles in the discharge of its duties.

- The Company believes that the role of the Chairman and Chief Executive Officer should be separate and that the Chairman should be a Non-Executive Director;
- To maintain appropriate balance of interest and ensure transparency and impartiality, we have an independent Director. The independent directors is one who have no material relationship with the Company beyond their directorship;
- Directors are to abstain from actions that may lead to “conflict of interest” situations; and shall comply fully with the Company’s Related Party Transactions Policies;

Board Meetings

The Board and its Committee meets at a minimum, once every quarter and whenever they are deemed necessary. During the year under review, the Board met at various times to provide strategic directions, policy and leadership in churning the objectives of the Company. The Directors are provided with comprehensive Board documentation at least seven (7) days prior to each of the scheduled meetings.

Dates of Board Meetings

March 14th 2024 (virtual)

April 25th 2024

July 25th 2024

October 24th 2024

Board meetings attendance:

	Date of Meeting and Attendance			
NAMES OF BOARD MEMBERS	14/03/2024 (virtual)	25/04/2024	25/07/2024	20/10/2024
NON-EXECUTIVE DIRECTORS				
Barrister (Dr.) Taiwo Afolabi	P	P	P	P
Dr. Bukola Bello Jaiyesimi	P	P	P	P
Mrs. Laila Jean St. Matthew-Daniel	P	P	P	P
Dr. Oluropo Owolabi	P	P	P	P
Mr. Anogwi Anyanwu	P	P	P	P
Barrister Oladipupo Kayode Filani	P	P	P	P
Captain S.U. Iyal	P	P	P	P
EXECUTIVE DIRECTORS				
Mrs. Adenike Aboderin	P	P	P	P
Mr. Abiodun Adegbesan	P	P	P	P
Mrs. Boma Ukwunna	P	P	P	P
Mr. Babatunde Afolabi	P	P	P	P
Mr. Herbert Odika	P	P	P	P

NB: P = Present, A = Apology

SKYWAY AVIATION HANDLING COMPANY PLC

CORPORATE GOVERNANCE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

Board Committees

Under the Company's Articles of Association, the Directors may appoint Committees consisting of members of the Board and such other persons as they think fit and may delegate any of their powers to such committees. The Committees are required to use their delegated powers in conformity with the regulations laid by the Board. One of the features of the manner in which the board operates is the role played by its Committees, which facilitate the discharge of board responsibilities.

Committee members are expected to attend each Committee meeting, unless exceptional circumstances prevent them from doing so. The Board and the Committee's terms of references spell out the responsibilities, appointment, composition, and their review among other things.

The following Committees are currently operating at the Board Level;

- i. Board Audit Committee
- ii. Governance and Nominations Committee
- iii. Strategic Planning and Finance Committee

Board Committee on Governance and Nominations.

The Board Nominations Committee is a sub-committee of the Board of Directors ("the Board") of the Company.

The goal of the committee is to oversee and advise the Board on matters relating to the annual evaluation of its performance and the performance of other Board Committees in compliance with the corporate governance regulations and codes. It shall review and make recommendations to the Board on the Company's organizational structure, succession planning and also propose amendments. It shall deliberate on any other matter which the Company may refer to it from time to time.

- Review the structure, size, composition of the Board at least annually and make recommendations on any proposed changes to the Board.
- Establish a formal and transparent process for Board appointments, including establishing the criteria for appointment to the Board and Board committees' memberships, reviewing prospective candidates' qualifications and any potential conflict of interest; assessing the contribution of current Directors against their re-nomination suitability, and making appropriate recommendations to the Board.
- Prepare a job specification for the Board Chairman's position, including an assessment of time commitment required of the candidate.
- Identify individuals suitably qualified to become Board members and make recommendations to the Board for nomination and appointment as Directors.
- Periodically determine the skills, knowledge and experience required on the Board and its committees
- Make recommendations on experience required by Board committee members, committee appointments and removal, operating structure, reporting and other committee operational matters.
- Make recommendations on compensation structure for Executive Directors and key management executives such as the Chief Finance Officer and Company Secretary.
- Provide input to the annual report of the Company in respect of director compensation.
- Ensure that the Company has a formal program for the induction and training of Directors.
- Undertake the annual assessment of the independent status of each Independent Non-Executive Director.
- Review the performance and effectiveness of the subsidiary company Boards on an annual basis where applicable.
- Ensure that the Company has a succession policy and plan in place for the Chairman of the Board, the MD/CEO and all other Executive Directors, Non-Executive Directors and senior management positions to ensure leadership continuity. Succession planning should be reviewed periodically, with provision made for succession in emergency situations as well as long-term vacancies.
- Deal with all matters pertaining to executive management selection and performance, including an annual evaluation of the performance of the MD/CEO and executive management.

SKYWAY AVIATION HANDLING COMPANY PLC

CORPORATE GOVERNANCE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

- Develop a process for, and ensure that the Board undertakes, an annual Board performance evaluation of itself, its committees, the Chairman and individual Directors, as well as the Company's corporate governance practices.
- Ensure the development and periodic review of Board charters, Board committee charters and other governance policies, such as the code of ethics, conflict of interest and whistleblowing policies among others.
- Review and make recommendations to the Board for approval of the Company's organizational structure and any proposed amendments.
- Annually review and recommend changes to the Governance and Nominations Committee's Terms of Reference for the Board's consideration and approval.
- The Governance and Nominations Committee should ensure that proposed Directors are fit and proper persons before recommending them to the Board for consideration for directorship positions.
- At Board meetings, the chairman of the Governance and Nominations Committee should present a written report of the key recommendations made at all the meetings held by the Committee since the last Board meeting.

Composition.

The Committee as at 31st of December 2024, consist of 3 members of the Board of Directors who are appointed by a stand-alone committee assigned by the Board for the purpose of nominating members of the Committee.

The Members of the Governance and Nominations Committee comprises solely of Non-Executive Directors, and a majority of them should be Independent Non-Executive Directors where possible. However, Senior Management may be in attendance at meetings, as and when appropriate.

Dates of Governance and Nominations Committee Meetings

- January 10th 2024 (virtual)
- January 26th 2024 (virtual)
- January 29th 2024 (virtual)
- April 19th 2024
- July 9th 2024
- October 15th 2024

The Statutory Board Audit Committee

The role of the Board Audit Committee shall be in line with regulatory requirements separate from the Statutory Audit Committee. It shall assess the integrity and effectiveness of accounting, financial, compliance and other control systems. It is to consider and provide the Board with recommendations with regards to the financial reporting process and matters, audit process of the company, activities of the Statutory Audit Committee and the Company's internal controls and compliance with laws and regulations and any other matter which the Company may refer to it from time to time.

The Committee's key terms of reference comprise various categories of responsibilities and include the following:

- Ensure the development of a comprehensive internal control framework for the Company, obtain appropriate (internal and/or external) assurance and report annually in the Company's audited financial report, on the design and operating effectiveness of the Company's internal controls over the financial reporting systems.
- Oversee the management process for the identification of significant fraud risks across the Company and ensure that adequate prevention, detection and reporting mechanisms are in place.
- Discuss the interim or annual audited financial statements as well as significant financial reporting findings and recommendations with management and external auditors prior to recommending same to the Board for their consideration and appropriate action.
- Maintain oversight of financial and non-financial reporting.
- Review and ensure that adequate whistle-blowing policies and procedures are in place and that the issues reported through the whistle-blowing mechanism are summarized and presented to the Board.

SKYWAY AVIATION HANDLING COMPANY PLC

CORPORATE GOVERNANCE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

- Review, with the external auditors, any audit scope limitations or significant matters encountered and management's responses to same.
- Develop a policy on the nature, extent and terms under which the external auditors may perform non-audit services.
- Review the independence of the external auditors in line with the policy developed on the nature, extent and terms under which the external auditors may perform non-audit services prior to their appointment to perform non-audit services to ensure that where approved non-audit services are provided by the external auditors, there is no real or perceived conflict of interest, or other legal or ethical impediment.
- Preserve auditor independence, by setting clear hiring policies for employees or former employees of external (independent) auditors.
- At least on an annual basis, obtain and review a report by the internal auditor describing the strength and quality of internal controls including any issues or recommendations for improvement, raised by the most recent internal control review of the Company.
- Discuss the annual audited financial statements and half yearly unaudited statements with management and external auditors.
- Discuss policies and strategies with respect to risk assessment and management.
- Meet separately and periodically with management, internal auditors and external auditors.
- Consider any related party transactions that may arise within the company or group.
- Invoke its authority to investigate any matter within its terms of reference and the Company must make available the resources to the internal auditors with which to carry out this function including access to external advice where necessary.
- Report regularly to the Board.
- Annually review and recommend changes to the Committee's Terms of Reference for the Board's consideration and approval.
- At least once in a year, the Committee should hold a discussion with the head of the internal audit function and the external auditors without the presence of management, to facilitate an exchange of views and concerns that may not be appropriate for open discussion.
- Where the Board Audit Committee requires the advice of any director on a particular matter, it may co-opt him for such period as it thinks fit to assist in the discharge of any of its functions under this Act.
- Exercise/Assist in oversight over management's processes to ascertain the integrity of the Company's financial statements, compliance with all applicable legal and other regulatory requirements; and assess the qualifications and independence of the external auditors, and the performance of the Company's internal audit function as well as that of the external auditors.
- Ensure the establishment of and exercise oversight on the internal audit function which provides assurance on the effectiveness of the internal controls. On a quarterly basis, obtain and review a report by the internal auditor describing the strength and quality of internal controls including identification of any issues or recommendations for improvement raised by the most recent internal audit review of the Company.
- Establish an internal audit function and ensure there are other means of obtaining sufficient assurance of regular review or appraisal of the system of internal controls in the company.

SKYWAY AVIATION HANDLING COMPANY PLC

CORPORATE GOVERNANCE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

Composition

As at 31 December 2024, the Committee was made up of five members of the Board, two of whom are non-executive director and an Independent director, while the other three members are shareholder representatives. Only non-executive directors should be members of the Board Audit Committee. However, senior management may be in attendance.

Dates of Board Audit Committee Meetings

- March 12th, 2024
- April 18th 2024
- July 18th, 2024
- October 16th 2024

Board Committee on Strategic Planning and Finance

The goal of the committee is to consider and advise the Board on matters relating to the review and analysis of financial matters and finance oversight as well as give an objective view of the financial position of the company. It shall also assist the Board in long-range strategic planning in achieving delivery of financial activity and operational performance targets in the company; and any other matter which the company may refer to it from time to time.

The committee undertakes the following responsibilities;

- To exercise their business judgment to take decisions which they reasonably believe is in the best interests of the Company and its shareholders.
- Develop the strategic management of the Company and assess the overall direction and strategy of the business
- Evaluate the Company's capital structure and develop recommendations based upon that information
- Advise management and the Board regarding financial matters including global financial policies and practices, capital structure, annual financing plans, restructuring, acquisitions and divestitures
- Analyze and recommend basic financial goals to be achieved by the Company, ensuring that financial objectives are aligned with the Company's overall objectives, strategic vision and direction
- Review significant relationships with analysts, banks and investment banks
- Review the Company's performance on major capital investment projects versus original projections
- Review and recommend a dividend policy for the Company.
- Review the parameters and underlying assumptions of the preliminary annual budget and advise management regarding the preliminary annual budget at the Committee meeting.
- Provide input from the Board to management in the development of the Company's strategic plan.
- Serve as a resource in assisting management in the development of the Company's strategic plan. Act in an advisory capacity in assessing the strategies and action plans designed to meet the Company's strategic objectives.
- Serve as representatives of the Board in evaluating the Company's strategic planning process.
- The Strategic Planning and Finance Committee shall review and reassess the adequacy of the Terms of Reference annually and recommend any proposed changes to the Board for approval.
- Review any potential impact specifically related to the Company's operational performance.
- The Strategic Planning and Finance Committee shall annually review its own performance.
- Annually review and recommend changes to the Strategic Planning and Finance Committee's terms of reference for the Board's consideration and approval.
- At Board Meetings, the chairman of the Strategic Planning and Finance Committee should present a written report of the key recommendations made at all the meetings held by the Committee since the last Board meeting.

Composition

The Committee consist of at least 3 members of the Board of Directors who are appointed by the Board on the recommendation of the Governance and Nominations Committee. Only Directors should be members of the Strategic Planning and Finance Committees however, Senior Management may be in attendance. Members. The Chairman of the Committee is appointed by the Board of Directors and presides over the Committee meetings.

Dates of Strategic Planning and Finance Committee Meetings

April 18th 2024
July 17th 2024
October 17th, 2024

SKYWAY AVIATION HANDLING COMPANY PLC

CORPORATE GOVERNANCE REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

Attendance at Committee Meetings during the year ended 31 December, 2024

			Governance and Nominations Committee	Statutory Board Audit Committee	Strategic Planning and Finance Committee
Members of Committee					
Non-Executive Directors					
Laila Jean St. Matthew-Daniel			6/6	4/4	
Dr. Bukola Jaiyesimi Bello			6/6		
Dr. Oluropo Owolabi					3/3
Mr. Anogwi Anyanwu				4/4	
Barrister Oladipupo Kayode Filani			5/6		
Captain S.U. Iyal					3/3
Executive Directors					
Mrs. Adenike Aboderin					3/3
Mr. Abiodun Adegbesan			-	-	3/3
Mrs. Boma Ukwunna			-	-	3/3
Mr Babatunde Afolabi			-	-	3/3
Mr. Herbert Odika					3/3
Shareholder Representative					
Samiat Odunuga				4/4	
Ismaila Adamu				4/4	
Rotimi Aina				4/4	
Senior Management in Attendance					
Mr. Rotimi Omotoso				4/4	
Mr. Benjamin Akinola				4/4	
Jesuyemisi Odeyemi			6/6	4/4	3/3

Directors Declaration

None of the Directors have:-

- Ever been convicted of an offence resulting from dishonesty, fraud or embezzlement.
- Ever been declared bankrupt or sequestrated in any jurisdiction.
- At any time been a party to a scheme of arrangement or made any other form of compromise with their creditors.
- Ever been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities.
- Ever been involved in any receiverships, compulsory liquidations or creditors' voluntary liquidations.
- Ever been barred from entry into a profession or occupation
- Ever been convicted in any jurisdiction of any criminal offence or an offence under any Nigerian Legislation.

BY ORDER OF THE BOARD



Jesuyemisi Odeyemi
Company Secretary
FRC/2023/PRO/ICSAN/002/887904

Dated this 27 March, 2025

SKYWAY AVIATION HANDLING COMPANY PLC

REPORT OF THE STATUTORY AUDIT COMMITTEE FOR THE YEAR ENDED 31 DECEMBER, 2024

In accordance with the provision of Section 404 (7) of the Companies and Allied Matters, Act CAP C20, Laws of the Federation of Nigeria 2020, the members of the Audit Committee of Skyway Aviation Handling Company PLC hereby report as follows:

- i. We have exercised our statutory functions under Section 404 (7) of the Companies and Allied Matters, Act CAP C20, Laws of the Federation of Nigeria 2020 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.
- ii. We are of the opinion that the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2023 were satisfactory and reinforce the company's internal control systems.
- iii. We have deliberated with the External Auditors, who have confirmed that necessary co-operation was received from management in the course of their statutory audit and we are satisfied with the management's response to the External Auditor's recommendations on accounting and internal control matters and with the effectiveness of the company's system of accounting and internal control.



Mr. Anogwi Anyanwu

Chairman, Audit Committee

FRC/2013/PRO/DIR/003/00000002213

Date: 27 March, 2025

Members of Audit Committee are:

Mr. Anogwi Anyanwu

Mrs. Laila Jean St. Matthew-Daniel

Mrs. Samiat Odunuga (Shareholders' Representative)

Mr. Ismaila Adamu (Shareholders' Representative)

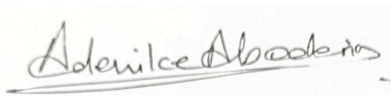
Mr. Rotimi Aina (Shareholders' Representative)

SKYWAY AVIATION HANDLING COMPANY PLC

MANAGING DIRECTOR'S CERTIFICATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

I, ADENIKE ABODERIN, certify that:

- (a) I have reviewed this audited report of year 2024 of Skyway Aviation Handling Company Plc
- (b) Based on my knowledge, this report does not contain
 - i any untrue statement of a material fact or omit to state a material fact necessary to make the statements untrue, in light of the circumstances under which such statements were made,
 - ii misleading with respect to the period covered by this report;
- (c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- (d) The company's other certifying officer(s) and I:
 - i are responsible for establishing and maintaining internal controls.
 - ii have designed such internal controls to ensure that material information relating to the company is made known to such officers by others within the company particularly during the period in which the periodic reports are being prepared;
 - iii have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
 - iv have presented in the report their conclusions about the effectiveness of their internal controls based on their evaluation as of that date;
- (e) The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - i All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - ii Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- (f) The company's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



.....
Mrs. Adenike Aboderin

Managing Director/CEO

FRC/2021/PRO/DIR/003/00000022723

Date: 27 March, 2025

SKYWAY AVIATION HANDLING COMPANY PLC

CHIEF FINANCIAL OFFICER'S CERTIFICATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

I, ROTIMI OMOTOSO, certify that:

- (a) I have reviewed this audited report of year 2024 of Skyway Aviation Handling Company Plc
- (b) Based on my knowledge, this report does not contain
 - i any untrue statement of a material fact or omit to state a material fact necessary to make the statements untrue, in light of the circumstances under which such statements were made,
 - ii misleading with respect to the period covered by this report;
- (c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- (d) The company's other certifying officer(s) and I:
 - i are responsible for establishing and maintaining internal controls.
 - ii have designed such internal controls to ensure that material information relating to the company is made known to such officers by others within the company particularly during the period in which the periodic reports are being prepared;
 - iii have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
 - iv have presented in the report their conclusions about the effectiveness of their internal controls based on their evaluation as of that date;
- (e) The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - i All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - ii Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- (f) The company's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Mr. Rotimi Omotoso

Chief Financial Officer

FRC/2016/ICAN/001/00000014593

Date: 27 March, 2025

**THIRD PARTY REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
SKYWAY AVIATION HANDLING COMPANY PLC FOR THE YEAR ENDED 31 DECEMBER, 2024**

In accordance with the requirements of Skyway Aviation Handling Company Plc, we performed a limited assurance engagement and reported on management's assessment of the Company's Internal Control over financial reporting as of December 31, 2024.

The work performed was done in accordance with the Guidance on Implementation of Sections 60 – 63 of the Investments and Securities Act 2007, which requires public companies (subject to the reporting requirements of the Act) to include in their annual reports a report of management on the company's internal control system. A public company is required to file the auditor's attestation report as part of the annual report.

The Management of Skyway Aviation Handling Company Plc is responsible for establishing and maintaining adequate Internal Controls over Financial Reporting (ICFR). It refers to the controls designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAPs) and International Financial Reporting Standards (IFRS).

We have performed a review of the Internal Control over Financial Reporting of the company for the purpose of determining the existence and adequacy of the Internal Controls around the preparation of its financial statements.

We conducted our review using the criteria established by the Financial Reporting Council Guidelines on Management Report on Internal Control Over Financial Reporting and the Treadway Commission's Committee of Sponsoring Organizations (COSO) on Internal Control—Integrated Framework 2013. Our procedures included examining entity-level controls, general controls, and transaction-specific controls. We observed that the management had a system of internal control and found a few inadequacies for which the management has committed to planned corrective measures.

In our opinion, the internal controls designed and effected by the management of Skyway Aviation Handling Company Plc over operations, processes, systems, corporate governance and compliances were reasonably adequate and sufficient to ensure that the financial statements and report for the period ended December 31, 2024 did not contain any untrue statements of a material fact or omit to state a material fact necessary to make the financial statements misleading with respect to the period ended December 31, 2024.

Yours faithfully,


Seyi Katola

FRC/2014/ICAN/00000006285

Engagement Partner

Seyi Katola & Company

(Chartered Accountants)

Lagos-Nigeria

12 March, 2025



**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF SKYWAY AVIATION HANDLING COMPANY PLC.**

OPINION

We have audited the financial statements of Skyway Aviation Handling Company Plc. (SAHCO PLC) herein referred to as “the company”, which comprise of:

the company’s statement of financial position as at December 31, 2024;
the company’s statement of profit or loss and other comprehensive income for the year ended 31 December, 2024;
the company’s statement of changes in equity as at 31 December, 2024;
the company’s statement of cash flows for the year ended 31 December, 2024;
the notes comprising a summary of the significant accounting policies and other explanatory information.

The accompanying Financial Statements give a true and fair view of the financial position of the company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the Companies and Allied Matters Act, CAP C20 LFN, 2020, the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board and in the manner required by Financial Reporting Council of Nigeria Act, 2023.

BASIS FOR OUR 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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ 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 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 judgments were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REPORT OF THE INDEPENDENT AUDITORS (CONTINUED)
TO THE MEMBERS OF SKYWAY AVIATION HANDLING COMPANY PLC

We have determined the matters described below to be the key audit matters to be communicated in our report. The key audit matters below relate to the audit of the financial statements.

Key Audit Matter(s)	
Receivable Loss Impairment: See Note 17 to the Financial Statements.	How the matter was addressed in the Audit
IFRS 9 requires SAHCO Plc to recognize impairment using the Expected Credit Loss (ECL) model. The ECL model is dependent on significant judgement and estimates by management in the measurement and determination of impairment on Receivables and other financial instruments. Our focus on this area was premised on the significant judgement and subjectivity inherent or applied by management in the estimation of the level of impairment, and the size of this Receivables. The ECL model is forward looking which incorporates industry and prevailing economic events and requires an application of historical financial data of the Company. All of these are combined to develop and apply relevant models to the receivables of the Company.	Our audit procedures to assess the Receivable loss impairment included the following: i. Updated our understanding of the controls put in place by the management to identify impaired receivables and provisions against those assets and determined whether these controls have been appropriately designed and implemented. ii. We reviewed the appropriateness of the company's determination of significant increase in credit risk and ensured compliance with IFRS 9. iii. We involved our internal credit specialists in the review of the assessment of the overall compliance of the model to the requirements of the IFRS 9.
Receivable Loss Impairment: See Note 17 to the Financial Statements.	How the matter was addressed in the Audit
Trade and other Receivables make up a significant portion of the total assets of Company with the total of NGN14.8 billion representing about 72% of the Company's current assets. The total amount of impairment on Receivables recognised in the Statement of Profit or Loss for the year is 484 million as stated in note 17(a). The basis of the provisions is summarized in the accounting policies in the financial statements (See Note 2.12.7). The Company's impairment model addresses the three stages of credit classifications. Because of the significance of these estimates, judgments and the size of Trade Receivables, economic conditions experienced in Nigeria during the year which affected the performance of Receivables, the audit of receivable's impairment is considered a key audit matter.	iv. We challenged the key data input and assumptions for data input into the ECL model used by the Company. v. On a sample basis, we reviewed receivables for evidence of significant increase in credit risk with major focus on receivables that were not reported as being impaired. vi. We subjected the data used in the models to test as well as assessing the model's methodology. Based on our review, we found that the company's impairment methodology, including the model, assumptions and key inputs used by management to estimate the amount of receivable impairment losses were comparable with historical performance, and prevailing economic situations and that the estimated receivable impairment loss determined was appropriate in the circumstances.

REPORT OF THE INDEPENDENT AUDITORS (CONTINUED)
TO THE MEMBERS OF SKYWAY AVIATION HANDLING COMPANY PLC

Other information in the Annual Report

The directors are responsible for the other information. The other information comprises all the information in the Skyway Aviation Handling Company Plc.'s 2024 annual report other than the company financial statements and our auditor's report thereon ("the Other Information").

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

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

Responsibilities of the directors and those charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirement of the Companies and Allied Matters Act CAP C20 LFN 2020, circulars and guidelines issued by the Financial Reporting Council Act 2023 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- i. Identify and assess the risks of material misstatement of the 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.
- ii. 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 internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

REPORT OF THE INDEPENDENT AUDITORS (CONTINUED)
TO THE MEMBERS OF SKYWAY AVIATION HANDLING COMPANY PLC

iv. Conclude on the appropriateness of directors's 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 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 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 company to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

vi. We communicate with the Audit Committee 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 identified during our audit.

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

viii. From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the 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 requirements

The Companies and Allied Matters Act, CAP C20 LFN, 2020 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. In our opinion, proper books of account have been kept by the company; and
- iii. The company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

The Engagement Partner on this audit resulting in this independent auditor's report is :-



Emmanuel Ogiaga, FCA
FRC/2021/ICAN/PROF/00000024269
Gbenga Badejo & Co.,
(Chartered Accountants),
Lagos State, Nigeria.



Date: 27 March, 2025.

SKYWAY AVIATION HANDLING COMPANY PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2024

	NOTE	2024 N'000	2023 N'000
Revenue	6	28,941,270	16,546,685
Direct Cost	7	<u>(12,564,659)</u>	<u>(8,350,701)</u>
Gross Profit		16,376,611	8,195,984
Other Operating Income	8	200,223	221,697
Administrative Expenses	9	<u>(10,047,156)</u>	<u>(5,473,249)</u>
Profit from operations		6,529,678	2,944,432
Finance Income	10	287,848	400,283
Finance Expense	10	<u>(331,057)</u>	<u>(714,428)</u>
Operating Profit Before Income Tax Expenses		6,486,469	2,630,287
Income Tax Expense	32	<u>(1,652,883)</u>	<u>(675,609)</u>
Profit for the year		4,833,586	1,954,678
Other comprehensive income			
Item that will not be reclassified to profit or loss			
Recognition of foreign exchange difference	28	1,891,943	1,304,796
(Reversal)/recognition of actuarial loss on defined benefit obligation	24	-	-
Recognition of related tax on defined benefit obligation	24	165,944	206,294
Other comprehensive income for the year, net of tax		2,057,888	1,511,090
Total comprehensive income for the year		6,891,473	3,465,769
Earnings Per Share			
Basic earnings - Naira	30	<u>3.57</u>	<u>1.46</u>
Diluted earnings - Naira	30	<u>3.57</u>	<u>1.46</u>

The accompanying notes form an integral part of these financial statements.

SKYWAY AVIATION HANDLING COMPANY PLC

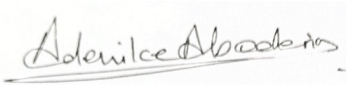
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER, 2024

		2024	2023
	NOTE	₦'000	₦'000
NON-CURRENT ASSETS			
Property, Plant and Equipment	13	16,030,201	15,082,194
Investment Properties	14	720,807	733,627
Intangible Assets	15	4,077,558	4,079,240
Deferred Tax Assets	33	753,494	1,073,516
		<u>21,582,059</u>	<u>20,968,577</u>
CURRENT ASSETS			
Inventories	16	2,705,769	915,915
Trade and Other Receivables	17	14,466,301	9,716,297
Cash and Bank Balances	18	2,193,204	950,488
Short Term Investment	18	832,404	1,514,620
		<u>20,197,679</u>	<u>13,097,320</u>
TOTAL ASSETS		<u>41,779,738</u>	<u>34,065,897</u>
EQUITY			
Ordinary Share capital	23	676,790	676,790
Share Premium	28	4,784,010	4,784,010
Retained Earnings	25	10,823,937	6,396,426
Actuarial Valuation Reserve	27	695,375	529,431
Fair Value Reserve-Foreign Exchange	28	3,196,739	1,304,796
Revaluation Reserve	26	9,088,895	9,088,895
		<u>29,265,747</u>	<u>22,780,348</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	20	2,042,863	3,372,124
Contract Liabilities	31	7,948	13,483
Defined Benefit Obligations	24	3,593,931	3,023,551
		<u>5,644,742</u>	<u>6,409,158</u>
CURRENT LIABILITIES			
Trade Payable and Other Payables	19	5,271,574	4,123,184
Short Term Borrowings	20	699,402	124,403
Contract Liabilities	31	31,791	46,014
Income Tax Liabilities	32	866,482	582,791
		<u>6,869,249</u>	<u>4,876,392</u>
TOTAL EQUITY AND LIABILITIES		<u>41,779,738</u>	<u>34,065,897</u>

The financial statements were approved by the Board of Directors on 27 March, 2025 and signed on its behalf by:



.....
Barr. (Dr.) Taiwo Afolabi, MON
Chairman
FRC/2015/PRO/NBA/002/00000013106



.....
Mrs. Adenike Aboderin
Managing Director/CEO
FRC/2021/PRO/DIR/003/00000022723



.....
Mr. Abiodun Adegbesan
Executive Director Finance
FRC/2024/PRO/DIR/003/831228

The accompanying notes form an integral part of these financial statements.

SKYWAY AVIATION HANDLING COMPANY PLC

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER, 2024

	NOTE	ORDINARY SHARE CAPITAL N'000	SHARE PREMIUM N'000	RETAINED EARNINGS N'000	ACTUARIAL VALUATION RESERVE N'000	FAIR VALUE RESERVE FOREIGN EXCHANGE N'000	REVALUATION RESERVE N'000	TOTAL EQUITY N'000
Balance at 1 January 2023		676,790	4,784,010	4,665,090	323,137	-	9,088,895	19,537,921
Total Comprehensive Income for the year								
Profit for the year		-	-	1,954,678	-	-	-	1,954,678
Other comprehensive income for the year		-	-	-	206,294	1,304,796	-	1,511,090
Total Comprehensive Income for the year		-	-	1,954,678	206,294	1,304,796	-	3,465,769
Transactions with owners recorded directly in equity								
Dividend Paid (Note 33)		-	-	(223,342)	-	-	-	(223,342)
Issue of Ordinary Shares		-	-	(223,342)	-	-	-	(223,342)
Balance at 31 December 2023		676,790	4,784,010	6,396,426	529,431	1,304,796	9,088,895	22,780,348
Balance at 1 January 2024		676,790	4,784,010	6,396,426	529,431	1,304,796	9,088,895	22,780,348
Total Comprehensive Income for the year								
Profit for the year		-	-	4,833,586	-	-	-	4,833,586
Other comprehensive income for the year		-	-	-	165,944	1,891,943	-	2,057,888
Total Comprehensive Income for the year		-	-	4,833,586	165,944	1,891,943	-	6,891,473
Transactions with owners recorded directly in equity								
Dividend Paid (Note 33)		-	-	(406,074)	-	-	-	(406,074)
Issue of Ordinary Shares		-	-	-	-	-	-	-
		-	-	(406,074)	-	-	-	(406,074)
Balance at 31 December 2024		676,790	4,784,010	10,823,937	695,375	3,196,739	9,088,895	29,265,747

The accompanying notes form an integral part of these financial statements.

SKYWAY AVIATION HANDLING COMPANY PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER, 2024

	NOTE	2024 N'000	2023 N'000
Cash flows from operating activities:			
Profit for the year		6,486,469	2,630,287
Adjustments for net income to net cash provided by operating activities			
Finance Expenses	10	331,057	714,428
Allowance for Impairment on Receivables	17	484,265	166,724
Provision for Employee Benefit	24	570,380	662,986
Foreign Exchange Difference	28	1,891,943	1,304,796
Investment Property- Depreciation	14	30,819	27,268
Intangible Asset- Amortisation	15	1,682	1,770
Property Plant and Equipment-Depreciation	13	2,320,787	2,125,083
		12,117,402	7,633,342
Changes in Working Capital			
Increase in Trade and Other Receivables		(5,234,269)	(5,665,238)
(Increase) in Inventories		(1,789,854)	(300,262)
increase in Trade and Other Payables		1,148,390	572,257
(Decrease/)/Increase in Contract Liabilities		(19,757)	15,729
Cash generated from operations		6,221,912	2,255,828
Tax Paid	32	(883,226)	(243,509)
Payment made by the employer on Employee Benefit	24	-	(226,736)
Finance Expenses Paid		(331,057)	(367,214)
Net cash inflow from operating activities		5,007,629	1,418,368
Cash flows from investing activities			
Purchase of Property, Plant and Equipment	13	(3,268,793)	(2,948,373)
Acquisition of Investment Properties	14	(18,000)	(26,364)
Net cash outflow used in investing activities		(3,286,793)	(2,974,737)
Financing Activities:			
Dividend Paid	34	(406,074)	(223,341)
Repayment of Borrowings	20	(754,263)	(138,923)
Net cash inflow used in financing activities		(1,160,337)	(362,264)
Net increase/ (decrease) in cash and cash equivalents		560,500	(1,918,632)
Cash and cash equivalents at the beginning		2,465,108	4,383,740
Cash and cash equivalents at 31 December	18	3,025,608	2,465,108
Represented By			
Cash and Bank Balances		2,193,204	950,488
Short Term Investment		832,404	1,514,620
		3,025,608	2,465,108

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2024

1 General Information

The principal activities of the Company include provision of aviation handling services including aircraft/ramp handling, cargo handling, passenger handling, premium lounge, aviation security and baggage reconciliation.

The Company was incorporated on the 21st of April 2009, on 3rd of December 2009, SIFAX Shipping Limited and Global Apex Logistic Limited through Skyway Aviation Handling Company Limited acquired 100% interest of the Federal Government in Skypower Aviation Handling Company Limited due to the privatisation of the company.

In 2018, SAHCOL undertook a business combination with Skypower wherein both companies were consolidated with SAHCOL as the surviving entity.

Skyway Aviation Handling Company Limited became a Public Limited Liability Company on 5th October, 2018.

The Corporate Headquarters is located at Skyway Aviation Handling Company Plc. Complex, Cargo Terminal, Murtala Muhammed International Airport, Ikeja, Lagos State, Nigeria.

2 Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Statement of Compliance

The Company's financial statements for the year ended 31 December, 2024 have been prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that are effective at 31 December, 2024 and requirements of the companies and Allied Matters Act (CAMA) of Nigeria and Financial Reporting Council (FRC) Act of Nigeria.

The financial statements comprise the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows and the notes.

The financial statements were authorised for issue by the Board of Directors on 27 March, 2025.

2.2 Basis of Preparation

The financial statements have been prepared under the historical cost convention except for some financial assets and liabilities measured at fair value and amortised cost; inventory at net realisable value; and the liability for defined benefit obligations is recognised as the present value of the defined benefit obligation and related current service cost.

2.3 Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

2.4 Going Concern

The directors assess the Company's future performance and financial position on a going concern basis and have no reason to believe that the Company will not be a going concern in the year ahead. For this reason, the financial statements have been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

2.5 Use of Estimates and Judgement

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.6 Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. Transfer of control is believed to be transferred to the customer at the point of delivery to the customer.

2.6.1 Rendering of Services - Cargo Income

The company is into Cargo handling in the aviation industry. Services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date. The proportion recognised in the Statement of Profit or Loss and Other Comprehensive Income is assessed by reference to services performed to date as a percentage of total services to be performed.

Revenue from cargo services is also recognised when control of the goods have passed to the clearing agents or customers, usually on delivery of the goods. Delivery occurs when a customer's truck has been loaded with the cargo goods specified in the invoice.

Revenue is recognised net of discount, VAT at 7.5% and rebates given on volume trade.

2.6.2 Aircraft Handling Income

The company also renders aircraft handling which include crew and passenger transportation, passenger profiling, equipment rentals and ground handling services. Income from aircraft handling are recognised in the profit or loss in proportion to stage of completion of the transaction as the reporting date. However, when the services under a single arrangement are rendered in different reporting periods, the consideration is allocated on a relative fair value basis between the services.

2.6.3 Rental Income

Rentals from sub-leased property are recognised as rental income which is determined over the term of lease.

2.7 Expenditure

Expenditures are recognised as they accrue during the course of the year. Analysis of expenses recognised in the statement of profit or loss is presented in classification based on the function of the expenses as this provides information that is reliable and more relevant than their nature.

The Company classifies its expenses as follows:

- Direct Cost;
- Administration Expenses;

a) Direct Cost

These are the direct costs attributable to the service rendered by the company. These costs includes directly attributable costs such as the concession fee, direct labour, cargo shed/warehouse, Hajj and Christian Pilgrimage operation, as well as overheads, including depreciation.

The cost of goods sold includes write-downs of inventories where necessary.

b) Administrative Expenses

Administrative expenses are recognised as they accrue during the course of the year. Analysis of expenses recognised in the statement of profit or loss and other comprehensive income is presented in classification based on the function of the expenses as this provides information that is reliable and more relevant than their nature. However, analysis by nature is presented in the notes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

2.8 Finance Income and Expense

Finance income comprises interest income on short-term deposits with banks and foreign exchange gains.

Interest income on short-term deposits is recognised by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

Finance costs comprise interest expense on borrowings, exchange differences in 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 Statement of Comprehensive Income using the effective interest method.

Foreign currency gains or 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.

2.9 Intangible Assets

a) Software

In accordance with criteria set out in IAS 38 – “Intangible assets”, intangible assets are recognised only if identifiable; controlled by the entity because of past events; it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably. Intangible assets primarily include amortizable items such as software that meet the IAS 38 criteria.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortized using the straight-line method over their useful lives. Amortization expense is recorded in Direct Cost or administrative expenses, based on the function of the underlying assets. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

b) Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units. Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

c) 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 statement of profit or loss when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

2.10 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value after providing for any obsolescence and damages determined by the management. Costs are those expenses incurred in bringing each product to its present location and condition which are computed as follows:

Spare parts and Consumables

Spare parts which are expected to be fully utilized in production within the next operating cycle and other consumables are valued at weighted average cost after making allowance for obsolete and damaged stocks.

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

The company's management determines the estimated amount of slow moving inventories. This estimate is based on the age of items in inventories and this provision is subject to change as a result of technical innovations and the usage of items.

Weighted average cost is used to determine the cost of ordinarily interchangeable items.

2.12 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised in the statements of financial position when the Company becomes a party to the contractual obligations of the instrument. Regular way purchases or sales of financial assets, i.e. purchases or sales under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market place concerned, are accounted for at the trade date

Initially, financial instruments are recognized at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount except for financial instruments at fair value through profit or loss. For financial instruments classified as Fair Value Through Profit or Loss (FVTPL) transaction costs incurred are recognized in profit or loss. Subsequently, financial assets and liabilities are measured according to the category to which they are assigned. The Company does not make use of the option to designate financial assets or financial liabilities at fair value through profit or loss at inception (Fair Value Option).

2.12.1 Financial Assets

Financial assets are initially recognised at fair value plus directly attributable transaction costs. Subsequent remeasurement of financial assets is determined by their designation that is revisited at each reporting date.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

2.12.1 Financial Assets (Continued)

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. On initial recognition, financial assets is classified as measured at amortised cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).

a Financial Assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest Income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on derecognition is recognised in the statement of profit or loss.

A financial assets is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL

- i It is held within a business model whose objective is to hold assets to collect contractual cash flow;
- ii Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
A debt investment is measured at FVTOCI, if it meets both of the following conditions and is not designated as at FVTPL:
 - i It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
 - ii Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have debt instruments that are measured subsequently at fair value through profit or loss (FVTPL) or (FVTOCI).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- i The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- ii The Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value on OCI. This election is made on an investment by investment basis.

b Equity Instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- i it has been acquired principally for the purpose of selling it in the near term; or
- ii on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- ii it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to the statement of profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

Dividends on these investments in equity instruments are recognised in the statement of profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends will be included in the 'finance income' line item (note 10) in the statement of profit or loss

c Debt Investments designated as at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Other net gain and losses are recognised in OCI. On derecognition, gain and losses accumulated in OCI are reclassified to the statement of profit or loss

All financial assets not classified as measured at amortised cost or FVOCI as declared above are measured at FVTPL. This includes all derivative financial assets.

d Financial Assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in the statement of profit or loss.

The company's financial assets are mainly measured at amortised cost and they comprise cash and Cash equivalents, trade receivables, due to related parties and other receivables.

(i) Cash and Cash Equivalents

The Company considers all highly liquid unrestricted investments with less than three months maturity from the date of acquisition to be cash equivalents. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) Trade Receivables

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. If collection is expected within one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Discounting is ignored if insignificant. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that debtor will enter bankruptcy and default or delinquency in payment, are the indicators that a trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within the administrative cost.

The amount of the impairment provision is the difference between the asset's nominal value and the recoverable value, which is the present value of estimated cash flows, discounted at the original effective interest rate. Changes to this provision are recognised under administrative costs. When a trade receivable is uncollectable, it is written off against the provision for trade receivables.

2.12.2 Derecognition of Financial Assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

2.12.3 Financial Liabilities

Classification as Debt or Equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity.

Financial Liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The Company does not hold financial liabilities measured at FVTPL.

Financial Liabilities measured subsequently at Amortised Cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

(i) **Trade Payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(ii) **Bank Borrowings**

Borrowings are recognised initially at fair value, as the proceeds received, net of any transaction cost incurred. Borrowings are subsequently recorded at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted in profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise

2.12.4 De-recognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit or loss.

2.12.5 Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

2.12.6 Amortised Cost and Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

2.12.7 Impairment Financial Assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

(i) Significant Increase in Credit Risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;

existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

an actual or expected significant deterioration in the operating results of the debtor

significant increases in credit risk on other financial instruments of the same debtor;

an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default,
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

(ii) Definition of Default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company). Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-Impaired Financial Assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties

(iv) Write-off Policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner unless in case where there is sufficient security. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the statement of profit or loss.

(v) Measurement and Recognition of Expected Credit Losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

(v) Measurement and recognition of expected credit losses (Continued)

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognises an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve.

2.13 Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

2.14 Prepayments

Prepayments are payments made in advance relating to the following year and are recognised and carried at original amount less amounts utilised in the statement of profit or loss and other comprehensive income.

At each reporting date, the Company assesses whether its financial assets have been impaired. Impairment losses are recognised in the statement of profit or loss where there is objective evidence of impairment.

2.15 Employee Benefits

The company operates two benefits scheme for its employees:

i) Defined Contribution Pension Scheme

The company operates a defined pension contribution plans, based on a percentage of pensionable earnings funded by both employer (10%) and employees (8%), the fund of which are generally administered by Pension Fund Administrators. Contributions to these plans are recognised as an expense in the statement of profit or loss in the periods during which services are rendered by employees.

ii) Defined Benefit Schemes

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

ii) Defined Benefit Schemes (Continued)

The calculation of defined benefits obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for a period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expense related to defined benefit plans are recognised in the statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or gain or loss on curtailment is recognised immediately in the statement of profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

2.16 Income Tax Liability

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

2.16.1 Deferred Tax Expenses

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not recognized for the following temporary differences: (i) the initial recognition of goodwill, (ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and (iii) differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

2.16.2 Current and Deferred Tax Expenses for the year

Current and deferred tax are recognised in the statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.17 Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded up to the nearest thousand currency units unless otherwise stated.

2.18 Earnings Per Share

Basic earnings per share is computed by dividing the profit or loss attributable to owners of the Company by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing the profit or loss attributable to the owners of the Company, by the weighted average number of shares outstanding after adjusting for the effects of all dilutive potential ordinary shares.

2.19 Statement of Cash Flows

The statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities.

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated for the purpose of preparing the statement.

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposit held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

The cash flows from investing and financing activities are determined by using the direct method.

2.20 Contingencies

Contingent liabilities are not recognized in the statement of financial position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognised in the statement of financial position but disclosed when an inflow of economic benefits is probable.

2.21 Foreign Currency

In preparing the financial statements of the Company, transactions in currencies other than the entity's presentation currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

2.22 Provisions

A Provision is recognized if, as a result of a past event, the company 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

2.22 Provisions (Continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.23 Related Party Disclosures

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include:

- i. Entities over which the company exercises significant influence
- ii. Shareholders and key management personnel of the company.
- iii. Close family members of key management personnel
- iv. Post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company.

Key management personnel comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the company.

The company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using the current market price or admissible valuation methods.

The company includes Company Secretary, Head of all department in its definition of key management personnel. Disclosure of their compensation such as short term benefit and emolument are stated.

2.24 Profit from operations

Operating profit is the result generated from the continuing principal revenue producing activities of the company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity accounted investees and income taxes.

2.25 Share Capital, Reserves and Dividends

(i) Share Capital

The Company has only one class of shares; ordinary shares. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(ii) Reserves

Reserves include all current and prior period retained earnings, share premium, revaluation reserve and reserve on actuarial valuation of defined benefit obligations.

(iii) Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the company's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the company. Dividends for the year that are approved after the statement of financial position date are disclosed as an event after the statement of financial position.

(iv) Share Premium

Premium from the issue of shares are reported in share premium.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

2.26 Property Plant and Equipment

i. Leasehold Land (Right-of-use assets)

The Company 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, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

ii. Other Property, Plant and Equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions. However, the company does not have such dismantling cost provisioning.

Increases in carrying amounts arising from revaluation are recognised in other comprehensive income and accumulated in equity, unless they reverse a revaluation decrease of the same asset previously recognised in the statement of profit or loss. In this case, the increase are recognised in the statement of profit or loss. Decreases in carrying amounts are recognised in other comprehensive income to the extent of any credit balance existing in the equity in respect of that asset and reduces the amount accumulated in equity. All other decreases in carrying amounts are recognised in the statement of profit or loss.

Subsequent Expenditure

Subsequent Expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of profit or loss when incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or its subsequent revalued amount less its residual value.

Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful lives.

	Years of useful lives
Leasehold Land	15 years
Computer Equipment	5 years
Building	28.5 years
Plant and Machinery	10 years
Furniture and Fittings	4 years
Office Equipment	5 years
Motor Vehicle	4 years

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 charged to the statement of profit or loss in the year the asset is derecognized.

Capital Work-in-Progress

Capital work-in-progress is stated at cost less impairment in value, if any. It consists of expenditure incurred and advances made in respect of tangible fixed assets in the course of their erection, installation and acquisition.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

Capital Work-in-Progress (Continued)

This includes cost of construction, plant and equipment and other direct costs plus borrowing costs which includes interest charges used to finance these projects during the construction period to the extent that they are regarded as an adjustment to borrowing costs.

Capital work-in-progress is not depreciated until such time as the assets are completed and ready for operational use which are transferred to the relevant category of property, plant and equipment and depreciated in accordance with the depreciation policy.

2.27 Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

When an impairment loss is recognized for a cash-generating unit, the loss is allocated first to reduce the carrying amount of the goodwill allocated to the CGU if any, and then, to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. After the impairment loss, the new carrying value of the asset is depreciated prospectively over its remaining life.

Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each year end. The carrying value of the assets, revised due to the increase of the recoverable value of the assets, cannot exceed the carrying amount (net of depreciation) that would have been determined had no impairment been recognized in prior periods. Such reversal is recognized in the statement of profit or loss.

The following criteria are also applied in assessing impairment of specific assets:

a) Goodwill

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

b) Software

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

2.28 Lease

The Company as a Lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- i Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
The amount expected to be payable by the lessee under residual value guarantees;
The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- ii The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

The Company as a Lessee (Continued)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or nonlease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the nonlease components.

The Company as a Lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

2.29 Investment Properties

Investment properties are properties held to earn rentals. Investment properties are stated at cost and not at fair value determined at reporting date by an independent valuer based on market evidence of the most recent prices achieved in arm's length transactions of similar properties in the same areas.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in statement of profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external, independent valuer, applying a valuation model recommended by the regulatory authorities.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Company accounts for it in accordance with the policy stated under property, plant and equipment up to the date of change.

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

New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial

3.1 Statement

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting periods that begin on or after 1 January 2024.

Amendment to IFRS 16 – Leases on sale and leaseback

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2024

These amendments had no impact on the financial statements of, nor is there expected to be any future impact on the Company.

Amendment to IAS 1 – Non-current liabilities with covenants

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

These amendments had no impact on the financial statements of the company.

New and revised IFRSs in issue but not yet effective

Contracts Referencing Nature dependent Electricity (Amendments to IFRS 9 and IFRS 7)

Nature-dependent electricity contracts assist companies to secure their electricity supply from wind and solar power sources. Since the amount of electricity generated under these contracts may vary based on uncontrollable factors related to weather conditions, current accounting requirements may not adequately capture how these contracts affect a company's performance. In response, the IASB has made targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to improve the disclosure of these contracts in the financial statements.

The amendments include:

- ▶ Clarifying the application of the 'own-use' requirements;
- ▶ Permitting hedge accounting if these contracts are used as hedging instruments; and
- ▶ Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application of the amendments is permitted. However, for certain jurisdictions the amendments must be endorsed prior to application. The amendments is not expected to have a significant impact on the financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and is mandatorily effective for annual reporting periods beginning on or after 1 January 2027

The amendments is not expected to have a significant impact on the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

As an indication of the scope of the reduction in disclosure requirements, IFRS 2 currently contains 991 words in its disclosure requirements, whereas IFRS 19 contains only 250 words relating to IFRS 2 disclosures

The amendments is not expected to have a significant impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

4. Critical Accounting Estimates and Judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience as other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

(a) Income and Deferred Tax Expenses

The Company incurs significant amounts of income taxes payable, and also recognises significant changes to deferred tax assets and deferred tax liabilities, all of which are based on management's interpretations of applicable laws and regulations. The quality of these estimates is highly dependent upon management's ability to properly apply at times a very complex sets of rules, to recognise changes in applicable rules and, in the case of deferred tax assets, management's ability to project future earnings from activities that may apply loss carry forward positions against future income taxes.

(b) Impairment of Property, Plant and Equipment

The Company assesses assets or groups of assets for impairment annually or whenever events or changes in circumstances indicate that carrying amounts of those assets may not be recoverable. In assessing whether a write-down of the carrying amount of a potentially impaired asset is required, the asset's carrying amount is compared to the recoverable amount. Frequently, the recoverable amount of an asset proves to be the Company's estimated value in use.

The estimated future cash flows applied are based on reasonable and supportable assumptions over the remaining useful life of the cash flow generating assets.

(c) Legal Proceedings

The Company reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Company's management as to how it will respond to the litigation, claim or assessment.

(d) Trade Receivables

The Company assesses its trade receivables for probability of credit losses. Management considers several factors including past credit record, current financial position and credibility of management, judgement is exercised in determining the allowances made for credit losses.

(e) Employee Benefit Obligation (Defined Benefit Plan)

The cost of the defined benefit plans and the present value of retirement benefit obligations and long service awards are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and changes in inflation rates. Due to the complexities involved in the valuation and its long-term nature, these obligations are highly sensitive to changes in assumptions.

(f) Impairment of Goodwill

The Company assesses its goodwill for possible impairment if there are events or changes in circumstances that indicate that carrying values of the cash generating unit (CGU) may not be recoverable, or atleast at every reporting date.

The assessment for impairment entailed comparing the carrying value of the cash generating unit containing the goodwill with its recoverable amount. The recoverable amount is based on an estimate of the value in use of these assets. Value in use is determined on the basis of discounted estimated future net cash flows. During the year, the Company recognised no impairment losses in respect of goodwill. See further details in Notes 15.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

5. Risk Management

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation and policies through the company's senior management.

The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company policies and risk appetite.

The company's financial instruments are exposed to certain financial risk including credit risk, liquidity risk, commodity risk and interest rate risk. The company's exposure to these risks and its methods of managing the risks remain consistent.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

5.1 CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Management assesses the credit risk of new customers before entering into contracts with such customers. Purchase limits are established for each customer based on the credit risk assessment.

Management determines concentrations of credit risk by quarterly monitoring the creditworthiness of existing customers and through a monthly review of the trade receivables' ageing analysis.

The Company's current credit risk grading framework comprises the following categories

Category	Description	Basis for recognising Expected Credit Losses
Performing	The counter party has a low risk default and does not have any past due amounts	12 - Month ECL
Doubtful	Amount > 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL- not credit impaired
In default	Amount is > 90 days past due or there is evidence indicating the assets is credit impaired.	Lifetime ECL- credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the company has no realistic prospect of recovery	Amount is written off

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

5.1 CREDIT RISK (CONTINUED)

For trade and other receivables, the company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by making provisions based on historical credit loss experience, past due status of the customers, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit profile of these assets is presented based on their past due status. Further disclosures regarding trade and other receivables which are neither past due nor impaired are provided in Note 17

5.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the company's normal operating requirements on an ongoing basis and its expansionary plans.

The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of not less than 90days.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

As at 31 December 2024	On Demand	Less Than 3 months	3 to 12 months	Above 1 year	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Financial Liabilities					
Borrowings	-	-	699,402	2,042,863	2,742,265
Trade and Other Payables	496,239	1,488,716	1,157,890	165,413	3,308,257
	496,239	1,488,716	1,857,293	2,208,275	6,050,522

As at 31 December 2023

Financial Liabilities					
Borrowings	-	-	124,403	3,372,124	3,496,527
Trade and Other Payables	376,219	1,128,656	877,844	125,406	2,508,124
	376,219	1,128,656	1,002,247	3,497,531	6,004,652

Value added tax, withholding tax, prepayment, advance to suppliers, provisions and other statutory related items are not included as part of financial instruments.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

5.3 Interest Rate 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 Company is exposed to interest rate risk on its loans. The risk that the Company will realize a loss as a result of a decline in the fair value of loans is limited because the company's loans are based on market interest rate. The Company monitors its exposure to interest rates annually.

5.4 Foreign Exchange Risk

Foreign exchange risk arises when the Company enters into transactions denominated in a Currency other than its functional Currency and this is very significant considering that the Company has assets denominated in foreign currency.

The Company is exposed to foreign exchange risk from its domiciliary accounts with commercial banks. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows: -

Cash and Cash Equivalents

	Assets	Liabilities
	2024	2024
	N'000	N'000
US Dollars (\$)	1,123,985	-
British Pound Sterling (£)	7,912	-
Euro	6,185	-

	Assets	Liabilities
	2023	2023
	N'000	N'000
US Dollars (\$)	238,024	-
British Pound Sterling (£)	4,347	-
Euro	1,292	-

5.5 Capital Management

Capital consists of share capital, retained earnings and other reserves attributable to the equity holders of the company. The primary objective of the Company'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 shareholders value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 35% and 50%. Included within net debt are interest bearing loans and borrowings, trade and other payables less cash and cash equivalents:

	2024 N'000	2023 N'000
Borrowings	2,742,265	3,496,527
Trade and Other Payables	5,271,574	4,123,184
Less: Cash and Short-Term Deposits	(3,025,608)	(2,465,108)
Net Debt	4,988,230	5,154,604
Equity	29,265,747	22,780,348
Capital and Net Debt	34,253,977	27,934,951
Gearing Ratio - Net Debt divided by (capital/equity plus net debt) (%)	14.56	18.45

5.6 Fair Value of Financial Assets and Liabilities

The fair values of financial assets and liabilities are the same as their carrying amounts shown in the statement of financial position.

The table below shows the analysis of the financial assets and liabilities:

	31 December, 2024		31 December, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	N'000	N'000	N'000	N'000
Financial Assets				
Cash and Bank Balances	2,193,204	2,193,204	950,488	950,488
Short Term Investment	832,404	832,404	1,514,620	1,514,620
Trade and Other Receivables	8,700,515	8,700,515	7,413,378	7,413,378
	11,726,123	11,726,123	9,878,486	9,878,486
Financial Liabilities				
Borrowings	2,742,265	2,742,265	3,496,527	3,496,527
Trade and Other Payables	3,308,257	3,308,257	2,508,124	2,508,124
	6,050,522	6,050,522	6,004,652	6,004,652

Value added tax, withholding tax, prepayment, advance to suppliers, provisions and other statutory related items are not included as part of financial instruments.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

5.7 Financial Instruments by Category

	31 December, 2024		31 December, 2023	
	Financial Assets Amortized Cost N'000	Financial Liabilities Amortized Cost N'000	Financial Assets Amortized Cost N'000	Financial Liabilities Amortized Cost N'000
Financial Assets				
Cash and Bank Balances	2,193,204	-	950,488	-
Short Term Investment	832,404	-	1,514,620	-
Trade and Other Receivables	8,700,515	-	7,413,378	-
Financial Liabilities				
Borrowings	-	2,742,265	-	3,496,527
Trade and Other Payables	-	3,308,257	-	2,508,124
	11,726,123	6,050,522	9,878,486	6,004,652

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

6

REVENUE

The Company generates revenue primarily from foreign and domestic handling, cargo handling and equipment rental. Other sources of revenue include rental income from investment properties.

	2024 N'000	2023 N'000
Revenue from Contract with Customers	28,941,270	16,546,685
Total Revenue	28,941,270	16,546,685

6.1 Disaggregation of Revenue from Contracts with Customers:

The revenue from contracts with customers is disaggregated by major service lines and timing of revenue recognition.

	2024 N'000	2023 N'000
i. Major Service Lines		
Passenger Handling and other related services	18,604,738	8,110,788
Cargo Handling -Import	8,653,613	7,273,109
Cargo Handling -Export	1,682,919	1,162,788
	28,941,270	16,546,685
ii. Timing of Revenue Recognition		
Service transferred at a point in time	-	-
Service transferred over time	28,941,270	16,546,685
	28,941,270	16,546,686

6.2 Contract Balances

The following provides information about receivables, contract assets and contract liabilities from contracts with customers: -

	2024 N'000	2023 N'000
Receivables, which are included in 'trade and other receivables'	5,511,387	3,668,658
Contract Liabilities	39,739	59,496
	5,551,126	3,728,154

The contract liabilities primarily relate to the advance consideration received from tenants for rent of the investment properties, for which revenue is recognised upon usage by the tenants.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

6.3 Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

6.4 Description of Major Sources of income:

Foreign and Domestic Handling: This include income from aircraft handling raised for Ramp Services, passenger profiling, security and baggage handling (Loading and off-loading).

Cargo Handling: These includes income from Cargo documentation services rendered to airlines which include import and export cargo facilitation through Nigeria's biggest network of customers bonded warehouses in Lagos, Kano, Abuja and Port-Harcourt, using Hermes computerisation system, which ensures safe storage and easy retrieval of cargos

Equipment Rental and Maintenance: The company leases it equipment to airlines for services that are not covered in the standard Ground Handling Agreement.

	2024	2023
7	₦'000	₦'000
DIRECT COST		
Cargo Shed/ Warehouse	1,221,087	750,895
Concession Fees	1,402,838	887,853
Oil and Lubricants	489,502	272,941
VIP Lounge	52,337	29,588
DCS/Check-In Counter Expenses	117,960	58,119
Baggage Logistics Expenses	20,631	9,342
Equipment Running	1,227,910	874,521
Equipment Repairs	2,261,392	1,068,802
RAMP Expenses	340,391	125,555
Hajj Operation	260,122	64,029
Christian Pilgrimage	-	1,539
Direct Labour Cost	2,990,860	2,387,693
Other Direct Costs	171,348	27,552
Miscellaneous Cost	126,677	97,183
	10,683,055	6,655,611
Depreciation	1,881,603	1,695,090
	12,564,659	8,350,701

Expenses by nature have been disclosed in the statement of comprehensive income as above. Costs directly relates to income generating activities are labelled as direct cost. Depreciation of assets used directly in generating revenue are classified as part of direct cost.

	2024	2023
8	₦'000	₦'000
OTHER INCOME		
Scraps	26,605	33,683
Refund*	-	-
Rental Income from Investment Properties	173,618	188,014
	200,223	221,697

Refund has been set off against Electricity cost to give a more meaningful comparison.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024	2023
9	₦'000	₦'000
ADMINISTRATIVE EXPENSES		
Employee Benefit Expenses (Note 11)	2,851,874	2,367,343
Depreciation and Amortisation	471,686	459,032
Printing and Stationery Cost	143,419	105,258
Transport and Traveling Cost	1,027,164	310,064
Vehicle Running Expenses	171,260	101,800
Telecommunication and Courier Cost	45,376	40,455
Staff Training and Development Cost	445,324	104,465
Advertisement and Publications Cost	45,021	19,903
Public Relations	67,560	68,239
Sales Promotion	285,358	114,946
Subscription	12,747	5,956
Newspaper, Periodical and Magazine	1,360	1,110
Rent and Electricity	537,868	175,987
Medical Expenses	339,242	197,773
Insurance Premium	161,289	83,230
Legal Expenses	262	1,869
Audit Fees (Note 9(a))	9,675	9,675
Repairs of Office Equipment	7,478	3,751
Repairs and Maintenance of Building	563,819	198,883
Repair of Furniture and Fittings	30,565	22,956
Entertainment	115,890	47,791
Gifts and Donations	221,190	122,151
Hotel and Accommodation Cost	36,535	9,947
Computer Support and Accessories Cost	302,813	145,134
Lighting and Fitting Expenses	75,561	30,067
Premises Upkeep and Cleaning	100,832	70,805
Special Security Expenses	44,128	26,277
Office Running Expenses	47,770	24,039
Board Meeting Expenses	23,298	28,437
Professional and Business Fees	148,668	51,662
Directors Expenses	105,091	128,000
Bank Charges	66,003	46,325
Government Levies	23,637	13,846
Impairment Allowance on Receivables	484,431	217,724
Uniforms and Aprons Expenses	105,766	118,350
	10,047,156	5,473,249

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024 ₦'000	2023 ₦'000
9(a)		
AUDIT AND NON- AUDIT SERVICES		
i) Audit Services	9,675	9,675
ii) Non- Audit Services	-	-
	<u>9,675</u>	<u>9,675</u>

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FINANCE INCOME AND FINANCE COST

Finance Income

Interest Income	287,848	400,283
	<u>287,848</u>	<u>400,283</u>

Finance Expense

Interest on Loan	331,057	367,214
Interest on Defined Benefit Obligation	-	347,213
	<u>331,057</u>	<u>714,428</u>
Foreign Exchange Loss	-	-
	<u>331,057</u>	<u>714,428</u>

No Interest was capitalized to property, plant and equipment during the year (2023: Nil)

The schedule below shows the exchange rates presented in one unit of foreign currency to Naira for the significant currencies used in the company

	2024 Year end rate	2023 Year end rate
United States Dollar to Naira	1,547.49	898.89
Great Britain Pound Sterling to Naira	1,940.18	1,143.30

11

EMPLOYEE BENEFIT EXPENSES

Salaries and Wages	1,316,908	905,649
Pension Fund Contribution	71,463	55,452
Leave Allowance	94,011	66,619
Gratuity and Terminal Benefits	795,109	659,439
Overtime	51,489	34,513
13th Month Salary	311,481	238,017
Other Allowance	21,330	16,093
ITF Contribution	40,106	30,642
NSITF Employee Compensation	37,147	26,023
Staff Welfare Expenses	112,829	334,895
	<u>2,851,874</u>	<u>2,367,343</u>

	2024 Number	2023 Number
11.1		
The Average number of employees per department:		
Operations	1,918	1,774
Administration	196	39
	<u>2,114</u>	<u>1,813</u>

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER, 2024

11.2

Employees remuneration Scale

RANGE	2024 Number	2023 Number
< 1,000,000	-	729
1,000,000-2,000,000	1,336	837
2,000,001-3,000,000	578	190
3,000,001-4,000,000	105	29
4,000,001-5,000,000	52	15
5,000,001-6,000,000	7	4
6,000,001-7,000,000	16	-
7,000,001-8,000,000	4	3
8,000,001-15,000,000	11	6
	5	
	2,114	1813

11.3

Directors' Remuneration:

	2024 N'000	2023 N'000
Directors' Remuneration	259,121	180,950
Board Meeting Expenses	23,298	28,437
	282,418	209,387

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Profit for the year

	N'000	N'000
Profit for the year is arrived at after deducting or charging the following:		
Depreciation of Property, Plant and Equipment	2,320,787	2,125,083
Auditors' Remuneration	9,675	9,675
Employee Benefits Expense	2,851,874	2,367,343

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2024

13

PROPERTY, PLANT AND EQUIPMENTS

	Leasehold Land	Building	Motor Vehicle and Trucks	Plant and Machinery	Furniture, Fixture and Fittings	Computer Equipment	Office Equipment	Sundry Tools	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost:									
At 1 January 2024	40,950	5,563,046	589,078	18,759,547	845,365	177,922	260,715	139,511	26,376,134
Additions	-	369,889	278,349	2,343,354	149,277	60,339	8,080	59,505	3,268,793
At 31 December 2024	40,950	5,932,935	867,427	21,102,902	994,642	238,260	268,795	199,016	29,644,927
At 1 January 2023	40,950	5,065,492	526,676	16,476,845	790,326	145,370	250,806	131,296	23,427,761
Additions	-	497,553	62,403	2,282,702	55,039	32,552	9,909	8,215	2,948,373
At 31 December 2023	40,950	5,563,046	589,078	18,759,547	845,365	177,922	260,715	139,511	26,376,134
Accumulated Depreciation:									
At 1 January 2024	39,858	1,081,977	395,335	8,620,213	705,940	105,023	238,482	107,111	11,293,939
Charge for the year	-	205,789	94,436	1,881,603	74,600	22,737	15,106	26,516	2,320,787
At 31 December 2024	39,858	1,287,766	489,771	10,501,816	780,540	127,759	253,588	133,627	13,614,726
At 1 January 2023	30,030	889,657	300,350	6,925,097	640,872	83,170	217,648	82,032	9,168,856
Charge for the year	9,828	192,321	94,985	1,695,115	65,068	21,853	20,833	25,080	2,125,083
At 31 December 2023	39,858	1,081,977	395,335	8,620,213	705,940	105,023	238,482	107,111	11,293,939
Carrying amount:									
At 31 December 2024	1,092	4,645,169	377,656	10,601,085	214,102	110,501	15,207	65,389	16,030,201
At 31 December 2023	1,092	4,481,068	193,743	10,139,334	139,425	72,899	22,233	32,399	15,082,194

Property, plant and equipment includes right-of-use assets of NGN10.9Million (2023: NGN10.9 Million) related to leased hold land.

13.1 Revaluation

The Company's Property, Plant and Equipment were revalued on March 29 , 2018 by Messrs. Ubosi Eleh & Company (FRC/2014/NIESV/00000003997) an accredited independent valuer who has valuation experience for similar offices using the Market Value Basis of valuation.

Leasehold Land is stated at cost and as such do not fall under any class of the revalued assets by the Independent Valuers.

13.2 Assets pledged as security

Borrowings are secured by a debenture on fixed and floating assets of the company (Note 20).

13.3 Depreciation charged during the period are included in:

	2024	2023
	₦'000	₦'000
Direct Cost	1,881,603	1,695,090
Administrative Expenses	439,183	429,993
	2,320,787	2,125,083

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

14

INVESTMENT PROPERTIES

	Building ₦'000
Cost	
At 1 January 2024	877,553
Additions	18,000
At 31 December 2024	895,553
At 1 January 2023	851,188
Additions	26,364
At 31 December 2023	877,553
Accumulated Depreciation	
At 1 January 2024	143,926
Charge for the period	30,819
At 31 December 2024	174,745
At 1 January 2023	116,658
Charge for the year	27,268
At 31 December 2023	143,926
Carrying amount	
At 31 December 2024	720,807
At 31 December 2023	733,627

The fair value of the Investment Properties as at the reporting period was ₦1.331 billion (2023: ₦ 1.264 billion). The investment property was independently valued by J. Ajayi Patunola & Co. (a registered estate surveyor & valuer) FRC/2013/0000000000679 as at 31 December 2024 (2023: J. Ajayi Patunola and Co.(a registered estate surveyor and valuer) FRC/2013/0000000000679), using the open market value. The rental income arising from these properties during the year is included in Other Revenue.

The Investment properties are depreciated using the straight-line method. The rate of depreciation used is 3.5% based on the useful lives of the lease on the landed property.

a) Description of the Investment Properties

Investment properties include Skyway Aviation Handling Company Plc. corporate office and Skyway Aviation Handling Company Plc. Office Complex located at Murtala Mohammed Airport Lagos State, Nigeria which were made available for rental during the year.

	2024 ₦'000	2023 ₦'000
b) Net amounts recognised in the statement of profit or loss for investment properties are as follows:		
Rental Income	173,618	188,014
Direct Operating Expenses	(112,764)	(39,777)
Depreciation	(30,819)	(27,268)
	30,035	120,969

Depreciation has been included in Administrative Expenses in the Statement of Profit or Loss and Other Comprehensive Income.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

c) Non-current assets pledged as security

Refer to note 20 for information on non-current assets pledged as security by the company.

d) Contractual Obligations

The Company's lease agreement with FAAN on the Investment Property Lands places a restriction on the realization of the investment properties. The company has no contractual obligations to purchase the Land but can construct or develop investment properties or for repairs, maintenance and enhancements.

e) Leasing Arrangements

Some of the investment properties are leased to tenants under long-term operating leases with rentals payable annually. Minimum lease payments under non-cancellable operating leases of investment properties recognised in the financial statements as payables are as follows:

	2024 N'000	2023 N'000
Within one year	31,791	35,014
Later than one year but not later than 5 years	7,948	8,753
	39,739	43,767

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INTANGIBLE ASSETS

	Website N'000	Software N'000	Goodwill N'000	Total N'000
Cost				
Balance at 1 January 2024	1,050	26,320	4,057,388	4,084,758
Addition	-	-	-	-
Balance at 31 December 2024	1,050	26,320	4,057,388	4,084,758
Balance at 1 January 2023	1,050	26,320	4,057,388	4,084,758
Addition	-	-	-	-
Balance at 31 December 2023	1,050	26,320	4,057,388	4,084,758
Amortisation				
Balance at 1 January 2024	298	5,221	-	5,519
Impairment Loss	-	-	-	-
Amortisation	-	1,682	-	1,682
Balance at 31 December 2024	298	6,903	-	7,201
Balance at 1 January 2023	298	3,451	-	3,748
Impairment Loss	-	-	-	-
Amortisation	-	1,770	-	1,770
Balance at 31 December 2023	298	5,221	-	5,518
Carrying amount				
31 December 2024	752	19,417	4,057,388	4,077,558
31 December 2023	753	21,099	4,057,388	4,079,240

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

a

Impairment test

There was no impairment loss on Goodwill during the year.

i. Impairment testing for CGUs (Cash Generating Unit) containing Goodwill

Aircraft Handling (Foreign and Domestic) and Cargo Handling

The recoverable amount of these CGUs(Cash Generating Unit) was based on its value in use, determined by the discounted future cash flows to be generated from the continue use of the CGUs. The carrying amount of the CGUs (=N=4.05 billion) was determined to be lower than the recoverable amount of =N=5.9 billion. Hence no impairment loss was recognised during the period (2023:Nil).

The key assumptions used in the estimation of value in use were as follows;

	2024	2023
	%	%
Discounted Rate	18	15
Terminal Value Growth Rate	14	14
Budgeted EBITDA Growth Rate (average of next five year)	2	2

The discount rate was a pre-tax measure based on the rate of 5-year government bonds issued by the government in the relevant market and in the same currency as the cashflows.

Five years of cash flows were included in the discounted cash flow model. A long term growth rate into perpetuity has been determined as the lower of the nominal gross domestic product rate and the long term compound annual EBITDA growth rate estimated by the management.

Budgeted EBITDA was based on the expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. The revenue growth was projected taking into account the average growth levels experienced over the past five years.

Following an annual test of impairment carried at the reporting date, the estimated recoverable amount exceeded its carrying amount by approximately ₦1.9 billion.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

16	2024	2023
INVENTORIES	N'000	N'000
Spares	2,470,124	885,660
Oil and Lubricants	235,645	30,255
	<u>2,705,769</u>	<u>915,915</u>

During the year 2024, ₦5,766,032,420(2023: ₦2,599,008,946) was recognised as an expense for inventories carried at net realisable value. This is recognised in direct cost.

None of the company's inventories were pledged as collateral for borrowings.

The company's inventories were also not written down during the period (2023 : Nil).

17	2024	2023
TRADE AND OTHER RECEIVABLES	N'000	N'000
Trade Receivables	7,085,257	4,758,264
Less: Allowance for Impairment (Note 17(a)(i))	<u>(1,573,870)</u>	<u>(1,089,605)</u>
	<u>5,511,387</u>	<u>3,668,658</u>
Due from Related Parties (Note 22.2)	2,667,131	3,541,376
Advance to Suppliers (Note 17(b))	4,960,220	1,604,207
Other Receivables (Note 17(c))	743,722	525,499
Staff Loan Receivable (Note 17(d))	521,997	203,343
Prepayments (Note 17(e))	61,845	173,213
	<u>14,466,301</u>	<u>9,716,297</u>

The company determines its recoverability of trade receivable after considering any changes in the credit quality of the trade receivables from the date credit is granted up to the end of the reporting period.

The following table details the risk profile of trade receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the company's different customer base.

	Not Past Due	<30	31 to 90	>90	Total
	N'000	N'000	N'000	N'000	N'000
Estimated total carrying amount at default	2,991,864	673,396	1,755,047	1,664,949	7,085,257
Expected credit loss rate (%)	2.00	5.00	8.00	85.00	100.00
Lifetime expected credit loss	<u>59,837</u>	<u>33,670</u>	<u>140,404</u>	<u>1,415,207</u>	<u>1,649,118</u>

a) Allowance for impairment on trade receivables	2024	2023
	N'000	N'000
Balance at the beginning of the period	1,194,605	1,144,565
Bad Debts Written-Off	-	(116,684)
Allowance for Impairment for the period	484,265	166,724
Balance at the end of the period	<u>1,678,870</u>	<u>1,194,605</u>

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024 N'000	2023 N'000
i.) Allowance for impairment is further analysed below		
Trade Receivables	1,573,870	1,089,605
Advance to Suppliers	105,000	105,000
Other Receivables	-	-
	1,678,870	1,194,605
b) Advance to Suppliers		
Cash with Suppliers	5,065,220	1,709,207
Allowance for impairment of advance to suppliers (Note 17(a)(i))	(105,000)	(105,000)
	4,960,220	1,604,207
c) Other Receivables		
Staff Advance for Expenses	-	6,879
Withholding Tax Receivables	630,817	518,620
Other Receivables	51,837	-
Other Receivables Employee Benefit Trust Scheme	61,069	-
	743,722	525,499

d) Staff Loan Receivable

Staff Loan Receivable are non-interest bearing. They are repayable within 12month.

e) Prepayments

Prepayments relate to rent prepaid on its offices complex all over the country and insurance prepaid on its Property, Plants and Equipment.

18	2024 N'000	2023 N'000
CASH AND CASH EQUIVALENTS		
Cash Balance	15,958	7,536
Bank Balances	2,177,246	942,952
Short Term Investment	832,404	1,514,620
	3,025,608	2,465,108

Short-term investment are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

18.1	2024 N'000	2023 N'000
CASH AND BANK BALANCES		
Cash Balance	15,958	7,536
Bank Balances	2,177,246	942,952
	2,193,204	950,488
18.2		
SHORT TERM INVESTMENT		
Short Term Investment	832,404	1,514,620
	832,404	1,514,620

Short Term Investments represent Investment instruments held with Financial Institutions (Fixed Deposit, Commercial Papers etc.) for a tenure of 3 - 12 earning between of 7 - 25% per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2024

18.3	Principal 2024 N'000	Start Date	End Date	Instrument	Principal 2023 N'000	Start Date	End Date	Instrument
Nova Merchant Bank	350,000	20/09/2024	Rolled Over	Commercial Paper	350,000	27/09/2023	Rolled Over	Commercial Paper
Sky capital and Financial Allied International Limited	31,027	25/02/2020	Rolled Over	Fixed Deposit	180,379	25/02/2020	Rolled Over	Fixed Deposit
SunTrust Bank Limited	60,000	05/07/2022	Rolled Over	Fixed Deposit	60,000	7/5/2022	Rolled Over	Fixed Deposit
Providus Bank Limited	50,000	11/10/2024	Rolled Over	Fixed Deposit	-	-	-	Fixed Deposit
Providus Bank Limited	50,000	03/12/2024	Rolled Over	Fixed Deposit	-	-	-	Fixed Deposit
Lotus Bank Limited	150,000	28/08/2024	Rolled Over	Fixed Deposit	-	-	-	Fixed Deposit
Fewchore Finance Limited	51,803	19/08/2024	Rolled Over	Fixed Deposit	-	-	-	Fixed Deposit
Cardinal stone Finance Limited	50,000	27/06/2024	Rolled Over	Fixed Deposit	-	-	-	Fixed Deposit
Stanbic IBTC Bank Limited	10,032	2/12/2024	Rolled Over	Fixed Deposit	-	-	-	Fixed Deposit
Polaris Bank Limited	29,109	18/11/2024	Rolled Over	Fixed Deposit	26,922	29/11/2022	Rolled Over	Fixed Deposit
Polaris Bank Limited	226	01/12/2022	Rolled Over	Fixed Deposit	213	12/01/2022	Rolled Over	Fixed Deposit
Polaris Bank Limited	208	29/11/2022	Rolled Over	Fixed Deposit	196	29/11/2022	Rolled Over	Fixed Deposit
Wema Bank Plc.	-	-	-	-	781,098	09/06/2023	Rolled Over	Fixed Deposit
Vetiva Trustees Limited	-	-	-	-	106,777	-	-	-
Total	832,404				1,505,583			

19

TRADE AND OTHER PAYABLES

	2024 N'000	2023 N'000
Trade Payables	1,404,888	1,207,095
Customers Deposits	873,012	1,010,501
Provision for Concession Fee	1,597,794	1,021,320
Other Payables	41,088	96,556
Accruals (Note 19.2)	264,487	183,153
Statutory Obligations Payables (Note 19.3)	1,090,305	604,559
	5,271,574	4,123,184

19.1

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled within 12months.
- Other payables are non-interest bearing and have an average term of 6months.

19.2

Accruals

	2024 N'000	2023 N'000
Stamp Duties	20,235	17,720
Others	244,252	165,433
	264,487	183,153

19.3

Statutory Obligation Payables – tax and social security payments

	2024 N'000	2023 N'000
Withholding Tax Payables	99,448	43,995
Value Added Tax Payable	609,212	330,996
ITF Contribution Payable	9,985	1,119
NSITF Contribution Payable	12,514	4,286
Pension Payable	242,002	196,306
PAYE Payable	47,188	23,110
Cooperative and Thrift Dues	68,903	3,907
Union Dues Payable	1,052	840
NHF Payable	1	1
	1,090,305	604,559

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024 N'000	2023 N'000
20		
BORROWINGS		
United Bank for Africa Plc.	-	54,861
Bank of Industry	2,742,265	3,441,667
	<u>2,742,265</u>	<u>3,496,527</u>
Classification of Borrowings:		
Current	699,402	124,403
Non-Current	2,042,863	3,372,124
	<u>2,742,265</u>	<u>3,496,527</u>

United Bank for Africa Plc.-Term Loan

This is a facility of ₦319,041,494.72(€768,608) which was sourced to purchase a ground handling equipment. The facility is for a tenor of 4 years effective 2020. The interest rate on the facility is 20% effective from November 2022. The facility is secured against fixed and floating assets of the company and personal guarantee of the Chairman.

Bank of Industry Loan

This is a facility of ₦3,500,000,000 which was sourced for the procurement of equipment and machinery for aviation ground handling services. It is for six(6) years (inclusive of a 12 (twelve) months moratorium on principal repayment commencing from the date of first disbursement. The interest rate is 9% per annum "all in" (subject to review) payable monthly in arrears commencing from the date of first disbursement.

21

Reconciliation of movements of Liabilities to cash flows arising from Financing Activities

	2024 N'000	2023 N'000
Opening Balance	3,496,527	3,635,450
Changes from Financing Cash flows		
Additional Borrowing	-	-
Repayment of Borrowings	(754,263)	(138,923)
Other Changes		
Interest Expense	331,057	367,214
Interest Paid	(331,057)	(367,214)
	<u>-</u>	<u>-</u>
Closing amount as at ending	<u>2,742,265</u>	<u>3,496,527</u>

22

RELATED PARTY

The company entered into various transaction with related parties in the ordinary course of business.

Details of the transactions between the Company and other related parties are disclosed below:

22.1 Identity of Related Party

Port and Cargo Handling Services Company Limited - Port and Cargo Services
Sifax Shipping Company Limited- Shipping Services
Mac Folly Hospitality Limited- Hospitality Services
SIFAX Oil and Gas Company Limited- Oil and Gas Services
SIFAX Sipunga Global Services Limited- Global Services
SIFAX Sahco Travels Limited- Travel Services
SIFAX Group of Companies Limited
SIFAX Oil and Gas Company Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2024

22.2 Outstanding Balances

	2024 N'000	2023 N'000
Due from related entities		
Mac Folly Hospitality Limited	29,254	29,254
NMS	68,702	68,702
Port and Cargo Handling Services Company Limited	428,124	885,824
Port and Cargo/Sierra Leone	184,200	184,200
SIFAX Group of Companies Limited	152,163	-
SIFAX Oil and Gas Company Limited	1,470,400	2,109,167
Sifax Shipping Company Limited	39,915	39,915
SIFAX Sipunga Global Services Limited	62,252	62,252
SIFAX Sahco Travels Limited	232,122	159,205
	2,667,131	3,538,517

22.3 The following transactions were carried out with the related parties

	Mac Folly Hospitality Limited N'000	NMS N'000	Cargo Handling Services Company Limited N'000	Port and Cargo/Sierra Leone N'000	SIFAX Group of Companies Limited N'000	SIFAX Oil and Gas Company Limited N'000	Sifax Shipping Company Limited N'000	SIFAX Sipunga Global Services Limited N'000	SIFAX Sahco Travels Limited N'000	Total N'000
As at 1 January 2024	29,254	68,702	885,824	184,200	-	2,109,167	39,915	62,252	159,205	3,538,517
Adjustments										
Cash paid/loan to related party	-	-	144,955	-	-	-	-	-	-	144,955
Payment made on behalf of related party	-	-	-	-	152,163	106,600	-	-	75,000	333,763
	29,254	68,702	1,030,778	184,200	152,163	2,215,767	39,915	62,252	234,205	4,017,234
Less										
Goods and Services provided to related party	-	-	-	-	-	-	-	-	-	-
Receipt from related party	-	-	(602,654)	-	-	(745,367)	-	-	(2,083)	(1,350,104)
Balance as at 31 December 2024	29,254	68,702	428,124	184,200	152,163	1,470,400	39,915	62,252	232,122	2,667,131

	Mac Folly Hospitality Limited N'000	NMS N'000	Port and Cargo Handling Services Company Limited N'000	Port and Cargo/Sierra Leone N'000	SIFAX Group of Companies Limited N'000	SIFAX Oil and Gas Company Limited N'000	Sifax Shipping Company Limited N'000	SIFAX Sipunga Global Services Limited N'000	SIFAX Sahco Travels Limited N'000	Total N'000
As at 1 January 2023	37,254	68,702	-	184,200	-	-	39,915	62,252	159,205	551,527
Adjustments										
Cash paid/loan to related party	-	-	885,824	-	-	2,109,167	-	-	-	2,994,990
Payment made on behalf of related party	12,000	-	-	-	-	-	-	-	-	12,000
	49,254	68,702	885,824	184,200	-	2,109,167	39,915	62,252	159,205	3,558,517
Less										
Goods and Services provided to related party	-	-	-	-	-	-	-	-	-	-
Receipt from related party	(20,000)	-	-	-	-	-	-	-	-	(20,000)
Balance as at 31 December 2023	29,254	68,702	885,824	184,200	-	2,109,167	39,915	62,252	159,205	3,538,517

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2024

22.4 Terms and conditions of transactions with related parties

* No technical management fees were paid by Skyway Aviation Handling Company Plc. to its parent company during the year.

* The sales to and purchases from related parties are made at terms equivalent to those that prevail in an arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

For the period ended 31 December 2024, the Company has not recorded any impairment of receivables to amounts owed by related parties (2023: Nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

22.5 Key Management Personnel

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

1. Executive Director
2. Non-Executive Director
3. Management team that implements board strategy by board delegated authority.

Loans to Director

The company did not lend money to any of its directors during the year under review

Payment on behalf of Key Management Personnel

There were no payment on behalf of key management personnel during the year under review.

Key Management Personnel Compensation

Key management personnel compensation for the year comprise:

	2024 Number	2023 Number
Directors	12	11
Aggregate number of persons senior management	20	16
	32	27
	2024	2023
	N'000	N'000
Salaries and Other Short Term Benefits	242,410	151,620
Pension and Other Post Employment Benefits	195,486	255,528
	437,897	407,148
	2024	2023
	Unit	Unit
23		
SHARE CAPITAL		
Issued and fully paid ordinary shares		
Ordinary shares of 50k each	1,353,580,000	1,353,580,000
(2023: Ordinary shares of 50k each)		
	2024	2023
	N'000	N'000
Issued and fully paid		
Balance at the beginning and end of the year	676,790	676,790

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

24 Employee Benefits Obligation

a) Defined Contribution Plan

The company operates a defined contribution pension scheme in line with the provisions of the Pension Reform Act, 2004, with contributions based on the employees' emoluments in the ratio 8% by the employee and 10% by the employer.

	2024	2023
	N'000	N'000
Balance at beginning	196,306	170,317
Charge to the Statement of profit or loss	396,280	123,678
Payments during the year	(350,583)	(102,140)
Balance at the end	242,002	196,306

The company's contributions to this scheme is charged to the statement of profit or loss account in the period to which they relate. Contributions to the scheme are managed by Stanbic IBTC Pension Manager, and other appointed pension managers on behalf of the beneficiary staff in line with the provisions of the Pension Reform Act.

Consequently, the company has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to meet the related obligations to employees.

As at 31 December 2024, contributions of ₦242.002 million (2023: ₦196.306) due in respect of the 2023 reporting period had not been paid on to the plans. The amounts were paid subsequent to the end of the reporting period.

b) Defined Benefit Plan

The Company also has a retirement benefits policy for all its full-time employees who have served the company for a minimum of 1 year. The company has a post-retirement programme for any employee who has attained the terminal age limit of 60 years and 35 years in service whichever is earlier.

The valuations of the present value of the defined benefit plan were carried out at 31 December 2024 by Seyi Katola & Co (FRC/2013/ICAN/00000003609). The present value of the plan and the related current service cost and past service cost, were measured using the Projected Unit Credit (PUC) Method.

In calculating the liabilities, the method:

- Recognises the company service rendered by each member of staff at the review date.
- Anticipates that salaries will increase between the review date and the eventual exit date of the employee via withdrawal, death or retirement and then;
- Discounts the expected benefit payment to the review date.

i) Valuation Assumptions

The valuation assumptions fall under two broad categories:

- Financial Assumptions
- Demographic Assumptions

a. Financial Assumptions

The principal financial assumptions used for the purposes of the actuarial valuations were as follows:

Financial Year Ending	2024	2023
	%	%
Long Term Average Discount Rate (pa)	15	15
Average rate(s) of salary increase (pa)	16	16
Average Inflation rate (pa)	35	14
Discount Rate		

In order to measure the liability, the projected benefit must be discounted to a net present value as at the current statement of financial position date, using an interest assumption (called the discount rate).

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

IFRS through IAS 19 requires that the discount rate be determined on the company's statement of financial position date by reference to market yields on high quality corporate bonds (except where there is no deep market in such bonds, in which case the discount rate should be based on market yields on Government bonds).

The discount rate should reflect the duration of the liabilities of the benefit programme.

The weighted average liability duration for the plan is 10 years. The average weighted duration of the closest Nigerian Government bond as at 31st December, 2024 was 10 years with a gross redemption yield of 20.25%.

We have prudently adopted 15.5% discount rate for this valuation. This is after adjusting for general inflation rate of 34.8% and 2.7% above gross redemption yield of the Nigerian Government Bond to account for the company's unsystematic risk.

Pay Increase

We have assumed salaries will on the average increase at a rate of 2% above inflation and adopted a long-term salary increase of 16.0% p.a for future years after 2024

b. Demographic Assumptions

Mortality in Service

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Sample	Number of deaths in year of age
age	out of 10,000 lives
25	7
30	7
35	9
40	14
45	26

Withdrawal from Service

Age Band	2024 Rate	2023 Rate
Less than or equal to 30	12.0%	12.0%
31 – 35	8.5%	8.5%
36 – 44	5.0%	5.0%
45 – 50	3.5%	3.5%
51 – 55	2.5%	2.5%

- The amount included in the statement of financial position as a result of the entity's obligation in respect of its defined benefit plans is as follows:

	2024 N'000	2023 N'000
Present value and funded Status of the defined benefit plan	<u>3,593,931</u>	<u>3,023,549</u>

Reconciliation of change in the present value of the defined benefit plan are as follows:

	2024 N'000	2023 N'000
Balance at beginning of the year	3,023,549	2,240,086
Current Service Cost	155,019	136,350
Interest Cost	468,650	347,213
Actuarial Losses - Change in Assumption	-	215,798
Actuarial (Gains)/Losses - Experience Adjustment	179,169	234,928
Actuarial Losses/(Gains) - Settlement	11,515	75,909
Benefit Payment	(243,970)	(226,736)
Balance at end of the year	<u>3,593,931</u>	<u>3,023,549</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2024

Amounts recognised in the Statement of Profit or Loss in respect of these defined benefit plans are as follows:

	2024 N'000	2023 N'000
Current service cost (Employee cost)	155,019	136,350
Interest on obligation (Finance cost)	468,650	347,213
	623,669	483,563

Amounts recognised in Other Comprehensive Income are as follows:

	2024 N'000	2023 N'000
Actuarial (gain)/loss on defined benefit plan:		
- Change in Assumption	-	215,798
- Change in Experience adjustment	179,169	234,928
	179,169	450,726
Actuarial (gain)/loss on Settlement during the year	11,515	75,909
	190,683	526,635

Net(Liability)/Asset recognized in the Statement of Financial Position

Net (Liability)/Asset recognised in the Statement of Financial Position - Opening	3,023,551	2,240,086
Net Periodic Benefit Cost recognised in the Profit or loss	623,669	483,563
Benefit paid by employer during the year	(243,970)	(226,736)
Amount recognised in Other Comprehensive income	190,683	526,635
	3,593,931	3,023,551

iii) Sensitivity Analysis on Accrued Liability

		Accrued liabilities	
		2024 N'000	2023 N'000
Sensitivity Base	Parameters	3,593,931	3,023,551
Discount rate	+1%	428,759,502	1,950,761
	-1%	501,160,984	2,500,048
Salary Increase	+1%	380,298,215	2,582,745
	-1%	345,830,819	2,006,237

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024 N'000	2023 N'000
25		
RETAINED EARNINGS		
As at the beginning of the year	6,396,426	4,665,090
Profit for the year	4,833,586	1,954,678
Dividend Paid (Note 33)	(406,074)	(223,342)
As at the end of the year	10,823,937	6,396,426

26		
REVALUATION RESERVE		
As at the beginning and ending of the year	9,088,895	9,088,895

The revaluation reserve relates to the revaluation of Property, Plant and Equipment (Refer to Note 13.1).

	2024 N'000	2023 N'000
27		
ACTUARIAL VALUATION RESERVE		
As at beginning of the year	715,102	508,808
Other Comprehensive Income	165,944	206,294
As at the end of the year	881,046	715,102

Actuarial valuation reserve represents the actuarial gain or loss on remeasurement of defined benefits obligation.

28		
FAIR VALUE RESERVE FOREIGN EXCHANGE		
As at beginning of the year	1,304,796	-
Other Comprehensive Income	1,891,943	1,304,796
As at the end of the year	3,196,739	1,304,796

This represents unrealized gain from foreign exchange translation as at the reporting date.

29		
SHARE PREMIUM		
As at beginning of the year	4,784,010	4,784,010
Issued during the year	-	-
As at the end of the year	4,784,010	4,784,010

This represent the amounts paid by shareholders above the nominal price of the shares

30		
EARNINGS PER SHARE		
Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.		

	2024 N'000	2023 N'000
Net profit attributable to ordinary equity holders	4,833,586	1,969,557
	Number	Number
Weighted average number of ordinary shares	1,353,580,000	1,353,580,000
Basic earning per Ordinary Shares (Naira)	3.57	1.46
Diluted earnings per ordinary shares (Naira)	3.57	1.46

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

31

CONTRACT LIABILITIES

Rental Income	39,739	59,496
	39,739	59,496

Amount received during the period are categorized as follows:

Current Portion	31,791	46,014
Non-Current Portion	7,948	13,483
	39,739	59,496

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INCOME TAX LIABILITY

The major components of income tax expense for the period are:

	2024 N'000	2023 N'000
As per the Statement of Profit or Loss:		
Current Income Tax Charge:		
Income tax	757,251	468,619
Tertiary Education Tax	227,175	140,586
Police Trust Fund Levy	324	132
NASENI	16,216	6,576
Underprovision for Previous Year	165,950	-
Total Current Tax Liability	1,166,916	615,912
Deferred Tax:		
Origination and reversal of temporary differences (Note 32)	485,967	59,696
Total Deferred Tax	485,967	59,696
Income Tax Expense	1,652,883	675,609
As per other comprehensive Income:		
Origination and reversal of temporary differences (Note 32)	(165,944)	(206,294)
As Per Statement of Financial Position:		
As at 1 January,	582,791	210,387
Current income tax charge for the period	1,166,916	615,912
	1,749,707	826,300
Less: Payment during the period		
Withholding Tax Credit Notes	(471,064)	-
Cash Paid	(412,161)	(243,509)
As at 31 December	866,482	582,791
Reconciliation of Income Tax Expense		
Profit Before Income Taxes	6,486,469	2,630,287
Statutory Company Income Tax Rate	30%	30%
Expected income tax expense calculated at 30% (2023: 30%)	1,945,941	789,086
Effects of:		
Tax Credit	(1,514,501)	(937,239)
Taxable and Non Taxable items	325,811	651,777
	757,251	503,624
Tertiary Education Tax Expense at 3% (2023: 3%) of assessable profit	227,175	140,586
Police Trust Fund Levy	324	132
NASENI	16,216	6,576
Underprovision for Previous Year	165,950	-
Total Current Income Tax Expense	1,166,916	615,912
Effective Tax Rate	18%	23%

The tax rate used for 2024 and 2023 reconciliation above is the company income tax rate of 30% based on the provisions of the Companies Income Tax Act, CAP C21, LFN 2020, as amended.

The rate of 3% for tertiary education tax is based on the provisions of the Education Tax Act, CAP E4, LFN 2020 (as amended).

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

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DEFERRED TAX LIABILITIES/(ASSETS)

As Per Statement of Financial Position:

	2024	2023
	₦'000	₦'000
Deferred Tax Relates to the following:		
Property, Plant and Equipment	1,160,839	352,723
Investment Property	65,281	69,208
Impairment Allowance	(503,661)	(358,382)
Provision for Concession	(479,338)	(306,396)
Employee Benefit Liability	(1,004,988)	(839,044)
	(761,868)	(1,081,890)

As Per Statement of Profit or Loss:

Movement in deferred tax charge:

Property, plant and equipment	808,116	156,895
Investment property	(3,927)	10,506
Impairment Allowance	(145,279)	(15,012)
Provision for Concession	(172,942)	(101,066)
	485,967	51,323

As Per Other Comprehensive Income:

Movement in deferred tax charge:

Employee Benefit Liability	(165,944)	(206,294)
	(165,944)	(206,294)

Summarized Reconciliation of Total Deferred Tax Assets (Net):

As at 1 January	1,073,516	926,918
Relating to origination and reversal of temporary differences	(320,022)	146,598
As at 31 December	753,494	1,073,516

Deferred tax assets and liabilities relates to the unutilised capital allowances, Employee benefit and receivables/intangible assets to the extent that the realisation of the related tax benefits through future taxable profits is probable. All deferred tax assets/liabilities are deemed to be recoverable after 12months.

Deferred tax on revaluation surplus is based on capital gains tax of 10%.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024 N'000	2023 N'000
34		
DIVIDEND PAID AND PROPOSED		
Declared and paid during the year:		
Dividends on ordinary shares	<u>406,074</u>	<u>223,341</u>
Proposed for approval at the annual general meeting (not recognised as a liability as at 31 December):		
Dividends on ordinary shares for 2024: 60K (2023: 30K)	<u>812,148</u>	<u>406,074</u>
Dividend Per Share (Kobo)	<u>60.00</u>	<u>30.00</u>

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CONTINGENT LIABILITIES, GUARANTEES AND FINANCIAL COMMITMENTS

35.1 Contingent Liabilities

The company in the ordinary course of business is presently in 3 cases as a defendant (2023: 4) and 3 case as a plaintiff (2023: 4). The Directors of the company having sought advice of professional legal counsel are of the opinion that none of the aforementioned cases is likely to have material adverse effect on the Company and not aware of any other pending and or threatened claims or litigation claim which may be material to the financial statements. The following are the current legal suits pending in the law court:

1. Skyway Aviation Handling Company Plc. VS Afrijet Airlines (FHC/IKJ/CS/777/10)
2. Skyway Aviation Handling Company Plc. VS Bellview Airlines(Suit No: FHC/IKJ/CS/40/2011)
3. Bellview VS Skyway Aviation Handling Company Plc.
4. Skyway Aviation Handling Company Plc. VS Medview Airline Plc.
5. MaxHealth and Living Product Nig Ltd VS Skyway Aviation Handling Company Plc.
6. C.Woermann Nig Limited VS Skyway Aviation Handling Company Plc. (Suit LD/441 MJR/2022)

35.2 Guarantees

The Company did not charge any of its assets to secure liabilities of third parties (2023-Nil).

35.3 Financial Commitments

As at the reporting date, there were no financial commitments made by the company (2023-Nil).

35.4 Operating Lease Commitments

The Company leases various cargo, warehouse and station offices under non-cancellable operating lease agreements. The lease terms are within 1 year and the majority of lease agreements are renewable at the end of the lease period at the prevailing market rate.

36. COMPARATIVE FIGURES

Certain prior year's figures have been reclassified in line with current year's presentation for a more meaningful comparison.

37. EVENTS AFTER THE REPORTING PERIOD

A dividend of 60 kobo was proposed by the directors for approval at the Annual General Meeting . This will result in a dividend payment of NGN812,148,000 once it is approved by the shareholders at the Annual General Meeting.

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 27 March, 2025

SKYWAY AVIATION HANDLING COMPANY PLC

OTHER NATIONAL DISCLOSURE VALUE ADDED STATEMENT - (NON-IFRS) FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024		2023	
	N'000	%	N'000	%
Revenue	28,941,270		16,546,685	
Other Income	200,223		221,697	
	<u>29,141,494</u>		<u>16,768,383</u>	
Bought in materials and services (Local and Imported)	(13,721,872)		(6,320,208)	
VALUE ADDED	<u>15,419,622</u>	100	<u>10,448,175</u>	100

APPLIED AS FOLLOWS:

1. TO PAY EMPLOYEES:

Salaries, Wages and Other Benefits	5,842,734	38	4,755,036	46
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2. TO PAY PROVIDERS OF FUNDS:

Finance Cost	331,057	1	714,428	7
Dividend Paid	406,074	3	223,342	2

3. TO PAY GOVERNMENT:

Income Taxes	1,166,916	8	615,912	6
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4. TO PROVIDE FOR REPLACEMENT OF ASSETS AND FUTURE GROWTH:

Depreciation and Amortisation	2,353,289	15	2,125,083	20
Deferred Tax Expense/(Charge)	485,967	3	59,696	1
Profit for the year	<u>4,833,586</u>	<u>31</u>	<u>1,954,678</u>	<u>19</u>
	<u>15,419,622</u>	100	<u>10,448,175</u>	100

Value Added represents the additional wealth created through the effort of the company and its employees. The Statement shows the allocation of that wealth to employees, providers of fund, shareholders, government and the amount retained for the future creation of wealth.

SKYWAY AVIATION HANDLING COMPANY PLC

OTHER NATIONAL DISCLOSURE FIVE YEAR FINANCIAL SUMMARY - (NON-IFRS) FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 N'000
ASSETS/LIABILITIES					
Property, Plant and Equipment	16,030,201	15,082,194	14,258,905	13,621,684	13,251,459
Intangible Assets	4,077,558	4,079,240	4,081,010	4,066,762	4,065,906
Investment Property	720,807	733,627	734,531	755,858	383,621
Deferred Tax Assets	753,494	1,073,516	926,918	649,449	523,961
Current Assets	20,197,679	13,097,320	9,217,176	5,513,837	5,401,240
Current Liabilities	(6,869,249)	(4,876,392)	(4,001,321)	(3,431,197)	(2,752,486)
Non-current Liabilities	(5,644,742)	(6,409,158)	(5,679,297)	(1,835,102)	(1,674,464)
NET ASSETS	29,265,747	22,780,348	19,537,921	19,341,291	19,199,237

EQUITY

Ordinary Share Capital	676,790	676,790	676,790	676,790	676,790
Share Premium	4,784,010	4,784,010	4,784,010	4,784,010	4,784,010
Retained Earnings	10,823,937	6,396,426	4,665,090	4,623,746	4,565,058
Revaluation Reserve	9,088,895	9,088,895	9,088,895	9,088,895	9,088,895
Actuarial Valuation Reserve	695,375	529,431	323,137	167,850	84,484
Fair Value Reserve Foreign Exchange	3,196,739	1,304,796	-	-	-
SHAREHOLDERS' FUND	29,265,747	22,780,348	19,537,921	19,341,291	19,199,237

	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 N'000
STATEMENT OF PROFIT OR LOSS					
Revenue	28,941,270	16,546,685	11,125,330	8,657,635	6,981,593
Gross Profit	16,376,611	8,195,984	4,366,047	3,806,957	3,028,693
Profit Before Income Tax Expense	6,486,469	2,630,287	469,583	565,148	566,665
Profit After Income Tax Expense	4,833,586	1,954,678	309,336	282,030	482,377

Per Share Data (50 kobo)

Earnings- Basic - Naira	3.57	1.46	0.23	0.21	0.36
Earnings- Diluted- Naira	3.57	1.46	0.23	0.21	0.36
Net Assets- Naira	21.62	16.83	15.87	14.29	14.18

Note:

1. Earnings per share are based on profit after income tax expense and the number of issued and fully paid ordinary shares at the end of each financial year.
2. Net assets per share are based on net assets and the number of issued and fully paid ordinary shares at the end of each financial year.