NIGERIA CUSTOMS

RC 1351212

TECHNICAL & HANGAR SERVICES LTD

OFFICE OF THE MANAGING DIRECTOR

Ref: NCTHSL/HQ/ABJ/MOFI/25/51

23 FEBRUARY,2026.

OFFICE OF THE MD/CEO
MINISTRY OF FINANCE
23 FEB 2026
INCORPORATED (MOFI)
RECEIVED
Sign:...........................

THE MANAGING DIRECTOR,
MINISTRY OF FINANCE INCORPORATED,
BOI TOWERS,
CBD-ABUJA.

Dear Sir,

NIGERIA CUSTOMS TECHNICAL AND HANGAR SERVICES LTD 2025 AUDITED FINANCIAL REPORT AND INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) REPORT.

I present my sincere compliments to the MD, sir.

2. In preparation for the Annual General Meeting (AGM) of NCTHSL, as one of the shareholders of our company, I wish to present the year 2025 Audited Financial Report alongside the report on Internal Control Over Financial Reporting (ICFR) for your perusal.
3. These reports will be formally presented by Auditors at the AGM on Tuesday, 24th of February accordingly.
4. Enclosed also are the Company Corporate Governance and Ethics Policy, and the Company Governance and Operational Policies for your kind attention.
5. Accept assurances of my highest esteem and warm regards, Sir.

23/02/2026

MBAYA, KW (CAPT)
MANAGING DIRECTOR.

EDP/ED1
Please deal.
AJ.
24th Feb. 2026

CUSTOMS AIRWING HANGAR
GENERAL AVIATION WING
NNAMDI AZIKIWE INTERNATIONAL AIRPORT, ABUJA.

info@nigeriacustomshangar-services.ng www.nigeriacustomshangar-services.ng
+234 810 407 3973

NIGERIA CUSTOMS TECHNICAL AND HANGAR SERVICES LTD

RC. 1351212

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

NIGERIA CUSTOMS TECHNICAL AND HANGAR SERVICE - RC. 1351212

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

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BOARD OF DIRECTORS AND PROFESSIONAL ADVISERS

SHAREHOLDERS

	SHAREHOLDING
NIGERIA CUSTOMS SERVICES	700,000,000
MINISTRY OF FINANCE INCORPORATED	300,000,000
	1,000,000,000

BOARD OF DIRECTORS

	Nationality	Position
MR .O. A. ALAJOGUN DCG	Nigerian	CHAIRMAN
CAPT .K.W. MBAYA	Nigerian	MANAGING DIRECTOR
MR .A.B.MOHAMMED ACG	Nigerian	DIRECTOR
MR .W.A. DAPPA .ACG	Nigerian	DIRECTOR
MR.N.ISIYAKU CC	Nigerian	DIRECTOR
DR. FEMI OGUNSEINDE	Nigerian	DIRECTOR

REGISTERED ADDRESS:
CUSTOMS SERVICE HQ,
NO3, ABIDJAN STREET,
WUSE ZONE3, ABUJA,FCT

BUSINESS ADDRESS:
NIGERIA CUSTOMS SERVICE,GENERAL AVIATION WING
NNAMDI AZIKWE INTERNATIONAL AIRPORT,GENERAL AVIATION WING,
ABUJA,AMAC,FCT.

AUDITORS:

BAYCO PROFESSIONAL PRACTICE
(*CHARTERED ACCOUNTANTS*),
28, T Y DANJUMA STREET,
ASOKORO, ABUJA

COMPANY SECRETARY
MS HAUWA IBRAHIM KUCHI
NCS TECHNICAL & HANGAR SERVICES LTD
Abuja

BANKERS:
ZENITH BANK PLC
CENTRAL BANK OF NIGERIA

DIRECTORS REPORT

The Directors present their Annual Report on the Affairs of Nigeria Customs Technical Hangar Services Limited ("the Company"), together with the Financial Statements and Auditors' Report for the year ended 31st December, 2025.

LEGAL FORM

NIGERIA CUSTOMS TECHNICAL AND HANGAR SERVICES LTD (the Company) was incorporated in Nigeria on the 2nd day of August , 2016 under the Companies and Allied Matters Act as a Private Limited Liability Company with Registered Company Number RC: 1351212.

PRINCIPAL PLACE OF BUSINESS

The address of its registered Office and Prinicipal Place of Business is Nigeria Customs Service Hangar,General Aviation Wing, Nnamdi Azikwe International Airport, Abuja General Aviation Wing, Abuja, AMAC,FCT.

PRINCIPAL ACTIVITIES

To carry on business as machine and Equipment Installers and Repairers and as a General Hangars and Technical Support Services, Maintenance Men, Founders, Fitters and Mechanics.

The Company has no subsidiary Companies.

The Financial Statements were approved for issue by the Board of Directors on 19 February 2025

SHAREHOLDINGS

The issued Share Capital of Nigeria Customs Technical and Hangar Services Limited as contained in the Statement of Share Capital and Return of Allotment of Shares (Form CAC 21 of the Corporate Affairs Commision is as follows:

NAMES	**SHAREHOLDINGS 31-Dec-25**
NIGERIA CUSTOMS SERVICES	700,000,000
MINISTRY OF FINANCE	300,000,000
	1,000,000,000

DIRECTORS' INTERESTS IN CONTRACTS

For the purpose of section 303 of the Companies and Allied Matters Act 2020, none of the existing directors had direct or indirect interest in contracts or proposed contracts with the Company during the year.

DONATIONS AND CHARITABLE GIFTS

The Company has made no donations to charitable organisations at the moment as contained within the Provisions of section 43 of the Companies and Allied Matters Act 2020.

POST STATEMENT OF FINANCIAL POSITION EVENTS

There were no significant events after the Statement of Financial Position date that could affect the reported amount of Assets and Liabilities as of the Statement of Financial Position date.

DIRECTORS REPORT

HUMAN RESOURCES

EMPLOYMENT OF DISABLED PERSONS

The Company continues to maintain a policy of giving fair consideration to the application for employment made by disabled persons with due regard to their abilities and aptitude. The Company's policy prohibits discrimination against Disabled Persons in the Recruitment, Training and Career Development of its Employees. In the event of members of staff becoming disabled, efforts will be made to ensure that their employment continues and appropriate training arranged to ensure that they fit into the Company's working environment. However, as at 31st December, 2025, no disabled Person was in employment of the Company.

HEALTH, SAFETY AND WELFARE AT WORK

Health and Safety precautions are in force at the employees' place of work and the Company takes interest in the welfare of its Employees. The Company provides first-aid within the office Premise for Employees, and subsidises medical treatment for their dependants.

The Company also organises safety lectures and courses on a regular basis for employees. Fire-Fighting, suppression and detection equipment are provided at the Company's premises and rivercraft while safety wares are provided for operational staff.

EMPLOYEES' INVOLVEMENT AND TRAINING

The Company is committed to keeping employees fully informed as much as possible regarding the Company's Performance and Progress and Seeking their views where practicable on matters, which particularly affect them as employees. The Company's Manpower development programme has been broadened to create improved career prospects within the organisation.

COMPANY SECRETARIES

The Company appointed Messrs MS HAUWA IBRAHIM KUCHI as the Company Secretary.

AUDITORS

The Auditors, Messrs Bayco Professional Practice (Chartered Accountants), having met the condition of the board, have been appointed as External Auditors in accordance with Section 401 of the Companies and Allied Matters Act 2020.

BY ORDER OF THE BOARD

SECRETARY TO THE BOARD
MS HAUWA IBRAHIM KUCHI

CAPT MBAYA UW (MD)
ON BEHALF OF THE BOARD
OF NCTHSL.

NIGERIA CUSTOMS TECHNICAL AND HANGAR SERVICES LTD - RC. 1351212

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

FINANCIAL HIGHLIGHTS

	31-Dec-25 NGN	31-Dec-24 NGN
Major Balance Sheet Items		
Share Capital	25,000,000	559,180,011
General Reserve	29,723,739,389	290,478,007
Shareholders' Funds	29,748,739,389	849,658,018
Total Assets	25,375,634,215	882,460,024
Major Profit & Loss Account Items		
Turnover	12,313,376,846	6,705,527,112
Income (Loss) Before Taxation	7,340,621,831	17,470,196,073
Income (Loss) after Taxation	5,112,935,423	20,829,335,892

Information Per N1.00 Ordinary Share

Earnings/(Loss) Per Share (Kobo)	20,451.74	3,724.98
Net Assets Per Share (Naira)	1,189.95	1.52

Statement of Financial Position

As at	31-Dec-25 NGN	31-Dec-24 NGN
ASSETS		
Current Assets		
Inventory	18,016,335	298,000
Debtors,Prepayments and Other Assets	201,176,368	194,078,426
Cash and Bank Balances	748,699,460	650,821,028
Non Current Assets		
Total Non Current Assets	2,351,839,960	37,262,570
TOTAL ASSETS	**3,319,732,123**	**882,460,024**
LIABILITIES & EQUITY		
Current Liabilities		
Accruals and other Outstandings	80,462,390	32,652,006
Non Current Liabilities		
Total Non Current Liabilities	226,983,270	150,000
Equity		
Ordinary Shares	1,000,000,000	559,180,011
General Reserves	2,012,286,463	290,478,007
TOTAL LIABILITIES AND EQUITY	**3,319,732,123**	**882,460,024**

NIGERIA CUSTOMS TECHNICAL AND HANGAR SERVICES LTD - RC. 1351212

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

	31-Dec-25 NGN	31-Dec-24 NGN
Turnover	557,933,697	205,193,425
Cost of Sales	(105,654,350)	(12,488,075)
GROSS PROFIT	**452,279,347**	**192,705,350**
Other Income	9,060,575	8,025,206
Administrative Expenses	(242,528,812)	(148,857,714)
Finance Cost	(1,075,269)	(440,682)
EARNINGS (LOSS) BEFORE INTEREST, TAX, DEPRECIATION & AMMORTISATION	**217,735,841**	**51,432,160**
Depreciation and Ammortisation	(75,527,803)	(1,234,841)
Interest Expenses	-	-
EARNINGS (LOSS) BEFORE TAX	**142,208,038**	**50,197,319**
Tax Provision		
Income Tax	(8,681,544)	(30,029,980)
Deffered Tax	(226,983,270)	-
EARNINGS (LOSS) AFTER TAX	**(93,456,776)**	**20,167,339**

	31-Dec-25 NGN		31-Dec-24 NGN	
RATIO ANALYSIS				
Profitability				
Gross Profit (Loss) Percentage (%)	81		94	
Operating Profit (Loss) Percentage (%)	39		25	
Return on Capital Employed (EBIT/ Capital Employed) (%)	7		6	
Operating Profit Growth (%)	183%		0%	
Liquidity				
Current ratio (Current Asset/ Current Liabilites)	12.03	:	25.89	:1
Acid-test ratio (Current Assets Less Inventories/ Current Liabilities)	11.81		25.88	:1
Investors' Return				
Earnings/(Loss) Per Share (Kobo)	13	k	4	k
Gearing				
Shareholders Fund	3,012,286,463		849,658,018	
Long Term Debt/Equity Ratio	(0.08)	:	(0.00)	:1

STATEMENT OF DIRECTORS RESPONSIBILITIES

The Companies and Allied Matters Act 2020, requires Directors to prepare Financial Statements for each Financial year that give a true and fair view in accordance with International Financial Reporting Standards (IFRS). This shows the state of Financial Position 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 requirements of the Company and Allied Matters Act 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 judgements and estimates, and are consistently applied.

The Directors accepts responsibilty for the annual financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reoprting Standards and the requirements of the Companies and Allied Matters Act 2020.
The Directors are of the opinion that the Financial Statements give 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 can be relied upon in the preparation of financial statements, 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.

SIGNED ON BEHALF OF THE:
BOARD OF DIRECTORS BY;

CAPT .K.W. MBAYA
MANAGING DIRECTOR

NIGERIA CUSTOMS TECHNICAL AND HANGAR SERVICES - RC. 1351212

MANAGEMENT ASSESSMENT AND REPORT ON ICFR
FOR THE YEAR ENDED 31ST DECEMBER 2025

MANAGEMENT'S ASSESSMENT OF, AND REPORT ON, NIGERIA CUSTOMS TECHNICAL AND HANGAR SERVICES LIMITED'S INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE YEAR ENDED 31ST, DECEMBER 2025

In line with the provision of Sections 7.1 and 7.2(f) of the Financial Reporting Council Act of 2011 and Guidance on Management Report on Internal Control over Financial Reporting, we hereby make the following statements regarding the Internal Controls over Financial Reporting of Nigeria Customs Technical & Hangar Services Limited (NCTHSL) for the year ended 31st December, 2025:

a Management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

b Management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the company's ICFR.

We have reviewed the audited financial statements of the Company for the year ended 31st December, 2025 and based on our knowledge we certify as follows:

i. The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.

ii. The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition, results of operation and cash flows of the company as of and for the year ended 31st December, 2025.

iii. The Company's management has assessed that the entity's Internal Control over Financial Reporting (ICFR) as of the end of 31st December, 2025 is effective.

iv. The Nigeria Customs Technical and Hangar Services Limited's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 31st December, 2025.

v. The Company's external auditors (Bayco Professional Practices -Chartered Accountants) has issued an attestation report on management's assessment of internal control over financial reporting.

The attestation report of Bayco Professional Practices (Chartered Accountants) that audited the financial statements is included as part of this annual report.

CAPT .K.W. MBAYA	**CLIFFORD KINGSLEY CHIEMEZIE**
MANAGING DIRECTOR	**Chief Financial Officer**
FRC/ / / / /	**FRC/ / / / /**

CERTIFICATION OF MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In line with the provision of Sections 7.1 and 7.2(f) of the Financial Reporting Council Act of 2011 and Guidance on Management Report on Internal Control over Financial Reporting, we hereby make the following statements regarding the Internal Controls over Financial Reporting Nigeria Customs Technical & Hangar Services Limited (NCTHSL) for the year ended 31 December 2025:
I, CAPT. Kuhi Wulari Mbaya, certify that:

a I have reviewed this management's assessment on internal control over financial reporting of Nigeria Customs Technical & Hangar Services Limited.

b Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not 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 entity as of, and for, the periods presented in this report;

d Nigeria Customs Technical & Hangar Services Limited's Chief Financial Officer and I:

1 are responsible for establishing and maintaining internal controls;

2 have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to Nigeria Customs Technical & Hangar Services Limited, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

3 have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

4 have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of

e The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the Board Audit, Governance, Nomination and Remuneration Committee:

1 All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and

2 Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f The entity's other certifying officer 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

CAPT .K.W. MBAYA
MANAGING DIRECTOR
FRC/ / / / /

NIGERIA CUSTOMS TECHNICAL AND HANGAR SERVICES - RC. 1351212

MANAGEMENT ASSESSMENT AND REPORT ON ICFR
FOR THE YEAR ENDED 31ST DECEMBER 2025

CERTIFICATION OF MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In line with the provision of Sections 7.1 and 7.2(f) of the Financial Reporting Council Act of 2011 and Guidance on Management Report on Internal Control over Financial Reporting, we hereby make the following statements regarding the Internal Controls over Financial Reporting Nigeria Customs Technical & Hangar Services Limited (NCTHSL) for the year ended 31 December 2025:

I, Clifford Kignsley Chiemezie, certify that:

a I have reviewed this management's assessment on internal control over financial reporting of Nigeria Customs Technical & Hangar Services Limited.

b Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not 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 entity as of, and for, the periods presented in this report;

d Nigeria Customs Technical & Hangar Services Limited's Chief Financial Officer and I:

1 are responsible for establishing and maintaining internal controls;

2 have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to Nigeria Customs Technical & Hangar Services Limited, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

3 have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

4 have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as

e The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the Board Audit, Governance, Nomination and Remuneration Committee:

1 All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information;

2 Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f The entity's other certifying officer 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

Clifk

CLIFFORD KINGSLEY CHIEMEZIE ACA
Chief Financial Officer
FRC/ / / / /

INDEPENDENT AUDITOR'S ATTESTATION REPORT ON MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Shareholders of Nigeria Customs Techical and Hangar Services Limited

Report on the Audit of the Financial Statements

Scope

We have been engaged by Nigeria Customs Technical And Hangar Services Limited ('the Company') to perform a 'limited assurance engagement', based on International Standards on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, herein referred to as the engagement, to report on Nigeria Customs Technical And Hangar Services Limited Internal Control over Financial Reporting (ICFR) (the "Subject Matter") contained in the Nigeria Customs Technical and Hangar Services Limited's (the "Company") Management's Assessment on Internal Control over Financial Reporting as of 31 December 2025 (the "Report").

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Criteria applied by Nigeria Customs Technical and Hangar Services Limited

In designing, establishing and operating the Internal Control over Financial Reporting (ICFR) and preparing the Management's assessment of the Internal Control over Financial Reporting (ICFR), Nigeria Customs Technical and Hangar Services Limited applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and FRC Guidance on Management Report on Internal Control Over Financial Reporting (Criteria). Such Criteria were specifically designed to enable organizations effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization; As a result, the subject matter information may not be suitable for another purpose.

Nigeria Customs Technical and Hangar Services Limited's Responsibilities

Nigeria Customs Technical and Hangar Services Limited's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Nigeria Customs Technical and Hangar Services Limited's management's assessment of the Internal Control over Financial reporting as of 31 December 2025 in accordance with the criteria.

Our responsibilities

Our responsibility is to express a conclusion on the design and operating effectiveness of the Internal Control over Financial Reporting based on our Assurance engagement.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, those standards require that we plan and perform our engagement to obtain limited assurance on the entity's internal control over financial reporting based on our assurance engagement.

Our Independence and Quality Management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA code) and have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of Procedures Performed

The procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting

Conclusion

In conclusion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by management is not adequate as of 31 December 2025, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and FRC Guidance on Management Report on Internal Control Over Financial Reporting.

CHARTERED ACCOUNTANTS

Other Matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements for the year ended 31 December 2025 of Nigeria Customs Technical and Hangar Services Limited and we expressed an unmodified opinion in our Auditor's report dated 21 January 2025. Our conclusion is not modified in respect of this matter.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0655607

Sign

Bashir A. O. Yusuf, FCA
FRC/2013/PRO/ICAN/004/ 00000004329
Bayo Professional Practice
(Chartered Accountants)
Abuja, Nigeria

February-2025

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Nigeria Customs Technical Hangar Services Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Nigeria Customs Technical and Hangar Services ltd which comprise the statement of financial position as at 31st December, 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year ended, Value Added Statement and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Nigeria Customs Technical and Hangar Services Limited as at 31st December, 2025, the financial performance, statement of cash flows and Value added Statement for the year ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2020, and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of The Company in accordance with the requirements of the Institute of Chartered Accountants of Nigeria (ICAN) Professional Code of Conduct and Guide for Accountants (ICAN Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's Statement, CEO's Report and Directors' Report which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the 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 requirements of The Companies and Allied Matters Act CAP C20 LFN 2020, Financial Reporting Council Act, 2011 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 intend to liquidate The Company or to cease operations, or have no realistic alternative but to do so.
Auditor's 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:
- 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.
- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating 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 continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

BPP
CHARTERED ACCOUNTANTS

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Sixth Schedule of the Companies and Allied Matters Act CAP C20 LFN 2020 we expressly state that:

i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) The Company has kept proper books of account, so far as appears from our examination of those books.

iii The Company's statement of financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0655608

Sign

Bashir A. O. Yusuf, FCA
FRC/2013/MULTI 00000004329
Bayco Professional Practice
(Chartered Accountants)
Abuja, Nigeria

February-2025

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2025

Reporting Currency- NGN	Notes	31-Dec-25	31-Dec-24
		-N-	-N-
ASSETS			
Current Assets			
Inventories	22	18,016,335	298,000
Trade and Other Receivables	23	201,176,368	194,078,426
Cash and Bank	24	748,699,460	650,821,028
Total Current Assets		**967,892,163**	**845,197,454**
Non Current Assets			
Intangible Assets	25	17,613,640	18,488,640
Property, Plant & Equipment	35	2,334,226,320	18,773,930
Total Non- Current Assets		**2,351,839,960**	**37,262,570**
TOTAL ASSETS		**3,319,732,123**	**882,460,024**
LIABILITIES & EQUITY			
Current Liabilities			
Trade Payables- Current	27	3,884,902	322,026
Bank Overdrafts	29	-	-
Other Payables-Current	28	76,577,488	32,329,980
Total Current Liabilites		**80,462,390**	**32,652,006**
Non Current Liabilities			
Deferred Tax Liabilities	34.1	226,983,270	-
Directors Current Account	29	-	150,000
Total Non-Current Liabilities		226,983,270	150,000
Total Liabilities		**307,445,660**	**32,802,006**
EQUITY			
Share Capital	30	1,000,000,000	559,180,011
Owners' Current Account	31	2,105,056,457	270,148,647
Retained Earnings	32	(73,127,416)	20,329,360
Unrealized Exchange Gain or Loss	33	(19,642,578)	-
Total Equity		**3,012,286,463**	**849,658,018**
TOTAL LIABILITIES & EQUITY		**3,319,732,123**	**882,460,024**

The accompanying Notes are an integral part of these Financial Statements

The Financial Statements were approved by the Board of Directors on ; and signed on its behalf by:

CAPT .K.W. MBAYA **FRC/ / / / /**
MANAGING DIRECTOR

CLIFFORD KINGSLEY CHIEMEZIE **FRC/ / / / /**
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

Reporting Currency- NGN	Notes	2025	2024
		₦	₦
Revenue	16	557,933,697	205,193,425
Direct Costs	17	(105,654,350)	(12,488,075)
Gross Profit		**452,279,347**	**192,705,350**
Other Income		9,060,575	8,025,206
Administrative Expenses	19	(318,056,615)	(149,930,534)
Other Operating Expenses			
Finance Cost	20	(1,075,269)	(440,682)
Profit Before Tax		**142,208,038**	**50,359,340**
Taxation	34	(235,664,814)	(30,029,980)
Profit After Tax		**(93,456,776)**	**20,329,360**
Other Comprehensive Income			
Interest Received	18	-	-
Foreign currency translation differences	33	(19,642,578)	-
Other Comprehensive Income		**(19,642,578)**	**-**
Total Comprehensive Income for the year		**(113,099,354)**	**20,329,360**

The accompanying Notes are an integral part of these Financial Statements

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY

AS AT 31st DECEMBER 2025
In Nigeria Currency- Naira
Reporting Currency- NGN

	SHARE CAPITAL	OWNERS CURRENT ACCOUNT	UNREALIZED EXCHANGE GAIN/LOSS	RETAINED EARNINGS	TOTAL
	₦	₦	₦	₦	₦
Balance at 1 January 2024	**559,180,011**	**-**	**-**	**-**	559,180,011
Injection of fresh Funds	-	-	-		-
Transfer Between Reserves	-		-	-	-
Balance at 1 January 2024	**559,180,011**	**-**	**-**	**-**	**559,180,011**
Profit / (Loss)	-	-	-	20,329,360	20,329,360
Revaluation Surplus	-	-	-	-	-
Balance at 31 December 2024	**559,180,011**	**-**	**-**	**20,329,360**	**579,509,371**
Injection of fresh Funds	440,819,989		-		440,819,989
Recognition of fair value of PPE and Inventory Contributed - NCS		1,834,907,810		-	1,834,907,810
Balance at 1 January 2025	**1,000,000,000**	**1,834,907,810**	**-**	**20,329,360**	**2,855,237,170**
Profit / (Loss)				(93,456,776)	(93,456,776)
Unrealized Exchange gain/Loss	-	-	(19,642,578)	-	(19,642,578)
Balance at 31 December 2025	**1,000,000,000**	**1,834,907,810**	**(19,642,578)**	**(73,127,416)**	**2,742,137,816**

The accompanying Notes are an integral part of these Financial Statements

STATEMENT OF CASH FLOW

Reporting Currency- NGN	2025	2024
	₦	₦
CASHFLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) After Tax for the Period	(93,456,776)	20,329,360
Adjustment for Non-Cash Income & Expenses:		
Impairment: - Property, Plant and Equiment	-	-
Depreciation:		
Property, Plant & Equipment	74,652,803	1,072,820
Amortisation of Intangible Assets	875,000	162,021
Tax Expense (Deferred Tax)	226,983,270	-
CashFlow before change in Operating Assets&Liabilitie	**209,054,297**	**21,564,201**
Changes in Operating Assets & Liabilities		
Changes in Operating Assets		
-Decrease/(Increase) in Trade&Other Receivables	(7,097,942)	(194,078,426)
-Decrease/(Increase) in Inventories	(17,718,335)	(298,000)
Changes in Operating Liabilities		
-Increase/(Decrease) in Trade & Other Payables	47,810,384	32,652,006
Cashflow from Operating Activities	**232,048,404**	**(140,160,219)**
Statutory Payments	-	-
NET CASHFLOW FROM OPERATING ACTIVITIES	**232,048,404**	**(140,160,219)**
CASHFLOW FROM INVESTING ACTIVITIES		
Decrease/(Increase) in Intangible Asset	-	(18,650,661)
Decrease/(Increase) in Deferred Tax Asset	-	-
Decrease/ (Increase) in Property,Plant & Equipment	(2,390,105,193)	(19,846,750)
NET CASHFLOW FROM INVESTING ACTIVITIES	**(2,390,105,193)**	**(38,497,411)**
CASHFLOW FROM FINANCING ACTIVITIES		
Shares	440,819,989	559,180,011
Unrealized Exchange Gain	(19,642,578)	-
Increase/(Decrease) in Owners Current Account	1,834,907,810	270,148,647
Directors Current Account	(150,000)	150,000
NET CASHFLOW FROM FINANCING ACTIVITIES	**2,255,935,221**	**829,478,658**
Net increase/(decrease) in Cash and Cash Equivalents	**97,878,432**	**650,821,028**
Cash & Cash Equivalents at the beginning of the Period	650,821,028	-
Cash and Cash Equivalent at End of Period	**748,699,460**	**650,821,028**

The accompanying Notes are an integral part of these Financial Statements

VALUE ADDED STATEMENT

For the year ended 31 December, 2025

Value added is the value created by the activities of a business and its employees. The value added statement reports on the calculation of value added and its application among stakeholders of the organisation.
This statement shows the total wealth created and how it was distributed, taking into account the amounts reinvested in the Organisation for the replacement of assets and development of operations.

Reporting Currency- NGN	**2025**	**2024**
	₦	₦
Revenue	557,933,697	205,193,425
Cost of Operation and Services	(301,990,787)	(105,395,041)
Value Added by Operations	**255,942,910**	**99,798,384**
Other Income	9,060,575	8,025,206
WEALTH CREATED	**265,003,485**	**107,823,590**
Employees		
Salaries, Wages and Other Benefits	98,242,351	27,650,189
	98,242,351	**27,650,189**
Government		
Taxation	235,664,814	30,029,980
Other Statutory Liabilities	1,611,400	131,279
	237,276,214	**30,161,259**
Providers of Capital		
Directors Fee	21,866,427	29,242,100
Retained Earnings	(93,456,776)	20,329,360
Finance Cost	1,075,269	440,682
	(70,515,080)	50,012,142
WEALTH DISTRIBUTED	**265,003,485**	**107,823,590**

The accompanying Notes are an integral part of these Financial Statements

NIGERIA CUSTOMS TECHNICAL AND HANGAR SERVICES LTD - RC. 1351212
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025
STATEMENT OF 2 YEAR FINANCIAL SUMMARY

FINANCIAL POSITION

Years	Notes	2025	2024
		₦	₦
ASSETS			
Non-Current Asset		2,351,839,960	37,262,570
Current Assets		967,892,163	845,197,454
TOTAL ASSETS		**3,319,732,123**	**882,460,024**
LIABILITIES			
Current Liabilities		80,462,390	32,652,006
Non-Current Liabilities		226,983,270	150,000
TOTAL LIABILITIES		**307,445,660**	**32,802,006**
NET ASSETS		**3,012,286,463**	**849,658,018**
FINANCED BY:			
Ordinary Share capital	31	1,000,000,000	559,180,011
Retained Earnings	32	(73,127,416)	20,329,360
Owners Current Assets		2,105,056,457	270,148,647
Unrealized Exchange Gain or Loss		(19,642,578)	-
TOTAL EQUITY		**3,012,286,463**	**849,658,018**

FINANCIAL PERFORMANCE	Notes	2025	2024
		₦	₦
Revenue/ Income		557,933,697	205,193,425
Expenditure		660,451,048	192,889,271
Profit/(Loss)		**(102,517,351)**	**12,304,154**

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company

Nigeria Customs Technical and Hangar Services Ltd (the Company) was incorporated in Nigeria on the 16th of March, 2015 under the Companies and Allied Matters Act as a Private Limited Liability Company with Registered Company Number RC: 1351212.

Principal Place of Business

The address of its registered Office and Prinicipal Place of Business is Nigeria Customs Service Hangar,General Aviation Wing, Nnamdi Azikwe International Airport, Abuja General Aviation Wing, Abuja, AMAC,FCT.

Principal Activities

To carry on business as machine and Equipment Installers and Repairers and as a General Hangars and Technical Support Services, Maintenance Men, Founders, Fitters and Mechanics.

The Financial Statements of the company comprise the Statement of Financial Position as at 31st December 2025; Comprehensive Income Statement; Cashflow Statement and Statement of Changes in Eqity for the Period ended . The Financial Statements were approved for issue by the Board of Directors on February 19 2025

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

These Financial Statements of Nigeria Customs Technical and Hangar Services Limited have been prepared in accordance with the International Financial Reporting Standards - IFRS. They are presented in Naira (NGN) as the Currency Units of the Nigeria.

The Policies set out below have been consistently applied to the year presented.

The comparative figures for performance of operation for the year ended 31 December, 2024 is included.

These Financial Statements have been prepared under the Historical Cost Convention which is generally based on the fair value of the consideration given in exchange for assets.

The Principal Accounting Policies are set out below.

The preparation of Financial Statements in conformity with IFRS requires the use of certain Critical Accounting Estimates. 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 the body of related Accounting Policy.

3 FOREIGN CURRENCY TRANSLATION

a Functional and Presentation Currency

Items included in the Financial Statements are not measured using the Currency of the Primary Economic Environment (Nigeria) in which the Company operates ('the functional currency'). The Financial Statements are presented in NGN, which is the Company's presentation currency.

b **Transactions and Balances**

Foreign currency transactions are translated into the presentation currency using the exchange rates prevailing at the dates of the transactions. 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 Financial Statement, except when deferred in Equity as qualifying cash flow hedges and qualifying net investment hedges.

4 **PROPERTY, PLANT AND EQUIPMENT**

Items of Property, Plant and Equipment are Measured at Cost Less Accumulated Depreciation and any Accumulated Impairment Losses.

Depreciation is charged so as to allocate the Cost of Assets Less their Residual Values Over their estimated Useful Lives, using the Straight-Line Method.

The following annual rates are used for the depreciation of Property, Plant and Equipment:

	Useful Life	Rate
Office Equipment	10 years	10%
Computer Equipment	5 years	20%
Furniture & Fittings	10 years	10%
Motor Vehicle	5 years	20%
Plant and Machinery	10 years	10%
Manuals	10 years	10%
Building	50 years	2%
Leasehold Land	- years	0%

Depreciation is included in Income Statement

If there is an indication that there has been a significant Change in Depreciation Rate, Useful Life or Residual Value of an Asset, the Depreciation of that Asset is revised prospectively to reflect the new expectations.

Gains and losses on disposal are determined by comparing proceeds with Carrying Amount.

These are included in Income Statements.

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate

5 **IMPAIRMENT OF NON FINANCIAL ASSETS**

Non Financial Assets are items other than Financial Assets. Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the Carrying Amount can not be recoverable.

An impairment loss is recognised for the amount by which the Asset's Carrying Amount exceeds its Recoverable Amount

The Recoverable Amount is the higher of an Asset's Fair Value less Costs to Sell and Value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-Generating Units).

The Carrying Amounts of the Company's Non-Financial Assets, other than Investment Property and Deferred Tax 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 each year at the same time.

An impairment loss is recognised if the Carrying Amount of an Asset or its Cash Generating Unit (CGU) exceeds its Estimated Recoverable Amount.

The Recoverable Amount is the higher of an Asset's Fair Value less Costs-to-Sell and Value-in use.

In assessing Value-in use, the estimated Future Cash Flows are Discounted to their Present Value using a Pre-tax Discount Rate that reflects Current Market assessments of the time value of money and the risks specific to the asset or CGU.

For the purposes of assessing impairment, Assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the Cash flows of other Assets or CGU. Corporate Assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the Corporate Asset is allocated. Impairment losses are recognised in Income Statement. Impairment losses in respect of CGUs are allocated first to reduce the Carrying Amount of any Goodwill allocated to the CGU (group of CGUs) and then to reduce the Carrying Amount of the other Assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each Reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if 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. An impairment loss in respect of goodwill is not reversed.

6 **LEASES**

a **Company as the Lessee**

Leases of Property, Plant and Equipment where the Company has substantially all the Risks and Rewards of ownership are classified as Finance Leases.

Leases where the Lessor retains a significant portion of the risks and rewards of ownership are classified as Operating Leases. Payments made under operating leases (net of any incentives received from the Lessor) are charged to the Income Statement on a straight-line basis over the period of the lease.

7 **TRADE AND OTHER RECEIVABLES**

Trade Receivables are recognised initially at Fair Value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of Trade Receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the Asset's Carrying Amount and the Present Value of estimated future Cash Flows, discounted at the Effective Interest Rate. The amount of the provision is recognised in the Income Statement.

Most Services are rendered on the basis of normal credit terms as contained in the Service Level Agreement and Engagement Contracts, and the Receivables do not bear Interest.

For Services rendered to a Client on Short-term Credit, a receivable is recognised at the undiscounted amount of Cash Receivable from that entity, which is normally the Invoice Price.

Where Credit is extended beyond normal Credit terms, Receivables are Measured at Amortised Cost using the Effective Interest Method. However, there were no such transactions in the year under review.

NOTES TO THE FINANCIAL STATEMENTS

At the end of each Reporting Period, the Carrying Amounts of Trade and Other Receivables are reviewed to determine whether there is any objective evidence that the Amounts are not Recoverable. If so, an Impairment Loss is Recognised immediately in Income Statement.

8 **CASH AND CASH EQUIVALENTS**

Cash and Cash Equivalents are carried in the Statement of Financial Position at Cost. Cash and Cash Equivalents comprise cash in hand and Bank Balances. Cash and cash Equivalents in a Foreign Currency are translated into Nigeria Currency (NGN) using the Exchange Rate at the Reporting Date. Foreign Exchange gains or losses are included in Other Income or Other Expenses.

9 **SHARE CAPITAL**

Ordinary shares are classified as Equity. Mandatorily redeemable preference shares are classified as liabilities. However, there was no such mandatorily redeemable preference share in the year under review.

10 **TRADE PAYABLES**

Trade Payables are obligations on the basis of normal credit terms and do not bear

Trade Payables denominated in a Foreign Currency are translated into Nigeria Currency (NGN) using the Exchange Rate at the Reporting Date. Foreign Exchange gains or losses are included in Other Income or Other Expenses.

For goods purchased or Rendering of Services from a Supplier/ Vendor/ Consultant on Short-term credit, a payable is recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

11 **BORROWING COSTS**

All Borrowing Costs are recognised in the Income Statement in the Period in which they are incurred.

12 **DEFERRED INCOME TAXES**

Income Tax Expense represents the sum of the tax currently payable and deferred tax. The Tax currently payable is based on taxable Profit for the year.

Deferred income tax is provided in full, using the Liability Method, on temporary differences arising between the tax bases of assets and liabilities and their Carrying Amounts in the Financial Statements.

However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a Business Combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the financial statement date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is

Deferred tax is recognised on differences between the Carrying Amounts of assets and liabilities in the Financial Statements and their corresponding tax bases (known as temporary differences).

Deferred Tax Liabilities are Recognised for all temporary differences that are expected to increase taxable profit in the future.

Deferred Tax Assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered. The Net Carrying Amount of Deferred Tax Assets is reviewed at each Reporting Date and is adjusted to reflect the Current Assessment of future Taxable Profits. Any adjustments are Recognised in

NOTES TO THE FINANCIAL STATEMENTS

That is, Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the Deferred Tax Asset to be Realised or the Deferred Tax Liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

13 **EMPLOYEE BENEFITS**

Employee Benefits are all forms of consideration given by an Entity in exchange for service rendered by Employees, including Directors and Management.

Employee Benefits include the following five types:

a) **Short-Term Employee Benefits**, which are Employee Benefits (other than termination benefits) that are wholly due within twelve months after the end of the period in which the Employees render the related service.

When Employee has rendered Service to the Company during the reporting period, amount recognised as Short term Employee Benefit is measured at the undiscounted amount of Short-term Employee Benefits expected to be paid in exchange for Employee Services. This includes Salary and other Allowances.

b) **Post-Employment Benefits**, which are Employee Benefits (other than termination benefits) that are payable after the completion of employment.

Post-Employment Benefit plans are classified as either Defined Contribution Plans or Defined Benefit Plans, depending on their principal terms and conditions.

i. **Defined Contribution Plans** are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Thus, the amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by an entity (and perhaps also the employee) to a post-employment benefit plan or to an insurer, together with investment returns arising from the contributions.

For Defined Contribution Plans, the Company makes contributions on behalf of qualifying Employees to a Mandatory Pension Scheme as regulated by the Pension Reform Act. The Company has no further Payment Obligations once the Contributions have been paid.

The Contributions are Recognised as Employee Benefit Expense when they are due. Prepaid Contributions are Recognised as an Asset to the extent that a Cash Refund or a Reduction in the Future Payments is available.

The Company has contributed 10% of the Employees' Gross Emoluments while the Employees contribute equivalent of 8% on their Gross Emoluments.

d) Where it has been established that the Company is committed, by legislation, by contractual or other agreements with Employees or their Representatives or by a Constructive Obligation based on Business practice, custom or a desire to act equitably, to make payments (or provide other benefits) to Employees when it terminates their employment. Such payments are recognised as termination benefits.

That is, the Company is demonstrably committed to a termination only when the Company has a detailed Formal Plan for the termination and is without realistic possibility of withdrawal from the Plan. However, there were no Termination Benefits provided for in the period under review.

14 **PROVISIONS**

Provisions are determined by discounting the Expected Future Cash Flows using a Pre-tax Discount Rate that reflects Current Market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provisions are determined by discounting the Expected Future Cash Flows using a Pre-tax Discount Rate that reflects Current Market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Company has approved a detailed Formal Plan, and the Restructuring either has commenced or has been announced Publicly. Future Operating Costs or Losses are not provided for. A Provision for onerous Contracts is recognised when the expected benefits to be derived by the Company from a Contract are lower than the unavoidable cost of meeting its obligations under the Contract. The Provision is measured at the Present Value of the lower of the Expected Cost of Terminating the Contract and the Expected Net Cost of continuing with the Contract. Before a Provision is established, the Company recognises any Impairment Loss on the Assets associated with that Contract.

However, there were no Provisions made for Restructuring in the periods under review.

Contingent Liabilities are possible obligations that arise from Past Events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain Future Events not wholly within the Company's control. Contingent Liabilities are not recognised in the Financial Statements but are disclosed in the notes to the Financial Statements.

However, there were no Contingent Liabilities in the periods under review.

15 **REVENUE RECOGNITION**

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 defines principles for recognising revenue and will be applicable to all contracts with customers. However, interest and fee income integral to financial instruments and leases will continue to fall outside the scope of IFRS 15 and will be regulated by the other

Revenue under IFRS 15 will need to be recognised as goods and services are transferred, to the extent that the transferror anticipates entitlement to goods and services. The following five step model in IFRS 15 is applied in determining when to recognise revenue,

a) Identify the contract(s) with a customer
b) Identify the performance obligations in the contract
c) Determine the transaction price
d) Allocate the transaction price to the performance obligations in the contract
e) Recognise revenue when (or as) the entity satisfies a performance obligation

The standard also specifies a comprehensive set of disclosure requirements regarding the nature, extent and timing as well as any uncertainty of revenue and the corresponding cash flows with customers.

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

16 REVENUE

Revenue comprises the Fair Value for the Sale of goods and Services, net of Value-Added Tax, rebates and discounts and after eliminated sales within the Group (where applicable).

Below is the analysis of Revenue: **Notes**	**31-Dec-25**	**31-Dec-24**
	₦	₦
Hangrage Fee	529,719,316	157,889,537
Maintenance Fee Income	20,582,099	47,158,000
Equipment Rental Fee	6,623,256	145,888
Fuel Sale Commission	1,009,027	
Total Income	**557,933,697**	**205,193,425**

17 DIRECT COSTS

Direct Cost comprises Expenses that are directly attributed to the delivery of activities that gave rise to Revenue.

Below is the analysis of Project Direct Costs	**31-Dec-25**	**31-Dec-24**
	₦	₦
Operational Cost	10,658,553	10,394,075
Discount Allowed	-	2,094,000
FBO Project - Business Development Costs	31,959,513	-
Hotel and Accomodation	13,067,218	-
Transport and Travelling	7,842,807	-
Printing and Stationery	9,999,575	-
Licences and Permits	12,012,148	-
Repairs and Maintenance	7,571,500	-
Fueling and Lubricants	12,543,037	-
	105,654,350	12,488,075

18 OTHER INCOME

Other Income comprises Foreign Exchange gains arising from foreign Exchange transactions at Reporting date and interest earned on bank deposit.
Below is the analysis of Other Income;

	31-Dec-25	**31-Dec-24**
	₦	₦
Exchange Gain	5,060,575	8,025,206
* Bank Interest	4,000,000	-
	9,060,575	**8,025,206**

19 ADMINSTRATIVE EXPENSES

		31-Dec-25	**31-Dec-24**
		₦	₦
a.	Employees Benefits	120,108,778	56,892,289
b	Depreciation and Amortisation	75,527,803	1,234,841
c	Other Expenses	122,420,034	91,803,404
		318,056,615	149,930,534

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

		31-Dec-25	31-Dec-24
	Below is the analysis of Administrative Expenses;		
a.	**Employees Benefits**	₦	₦
	Short Term Benefits		
	Directors Fee	21,866,427	29,242,100
	Staff Salaries & Allowances	80,145,001	16,223,767
	Post Employee Benefits		
	Defined Contribution Plan- Employer	2,225,150	1,429,840
	Non- Monetary Benefits		
	Other Medicals	1,198,700	-
	Safety Equipment Expense-	540,000	-
	Staff welfare-	14,133,500	7,594,157
	Recruitment, Tranining & Development-	-	2,402,425
	Total Employee Benefits	**120,108,778**	**56,892,289**
b	**Depreciation and Amortisation**		
	Furniture and Fittings	2,743,644	227,760
	Office Equipment	4,420,756	657,560
	Motor Vehicle	14,400,000	-
	Plant and Machinery	19,589,110	-
	Computer Equipment	2,311,044	-
	Building	30,128,250	-
	Manuals	1,060,000	187,500
	Intangible Asset	875,000	162,021
	Total Depreciation and Amortisation	**75,527,803**	**1,234,841**
c	**Other Expenses**		
	Audit Fees	5,000,000	3,300,000
	Professional Fees-	9,500,000	9,900,000
*	Other Administrative Expens((19i)	107,920,034	78,603,404
	Total Other Expenses	122,420,034	91,803,404
	Total Administrative Expenses	**318,056,615**	**149,930,534**
i	**Other Administrative Expenses**	₦	₦
	Transport and Travelling	5,438,950	21,479,860
	Repairs and Maintenance	5,751,280	11,852,486
	Hotel Acommodation	1,019,388	-
	Office Expenses	12,060,380	1,908,200
	Provision for Obsolescent Stock	5,547,270	-
	Electricity Expenses	6,662,329	-
	Security Services	593,723	30,000
	Fuel & Lubrication	9,233,000	3,958,444
	Communication Expenses	939,000	331,127
	Sales and Marketing	14,866,483	1,800,000
	Cleaning and Fumigation	441,000	-
	Licenses and Permits	4,288,833	3,733,103
	Printing and Stationeries	1,967,000	4,157,050
	Statutory Costs	1,611,400	131,279
	Insurance	37,499,998	29,221,855
		107,920,034	**78,603,404**

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

20 FINANCE COST

Finance Cost comprises expenses incurred for the Fund utilisation for business operations.

Below is the analysis of Finance Cost;	31-Dec-25	31-Dec-24
	₦	₦
Bank Charges & Related Expenses	1,075,269	440,682
	1,075,269	**440,682**

21 FINANCIAL ASSETS & LIABILITIES

Cateaories of Financial Assets & Liabilities

The carrying amounts presented in the Statement of Financial Position relate to the following categories of assets and liabilities:

Financial Assets		₦	₦
Cash and Receivables			
Cash and Bank Balances	24	748,699,460	650,821,028
Trade and Other Receivables	23	201,176,368	194,078,426
		949,875,828	**844,899,454**

22 INVENTORIES

Inventories are stated at the Lower of ***Cost*** and ***Net Realisable Value***. ***Cost*** is determined using the first-in-first-out (FIFO) method.

Below is the analysis of Inventories;

	31-Dec-25	31-Dec-24
	₦	₦
	18,016,335	298,000
	18,016,335	**298,000**

23 TRADE AND OTHER RECEIVABLES

Trade Receivables are recognised initially at ***Fair Value*** and subsequently measured at ***amortised cost using the effective interest method, less provision for impairment***.

Below is the analysis of Trade and Other Receivables;

	31-Dec-25	31-Dec-24
	₦	₦
Trade Receivables	77,397,449	35,957,008
Other Receivables*	123,778,919	158,121,418
	201,176,368	**194,078,426**

Other Receivables*

Below is the analysis of Other Receivables

	31-Dec-25	31-Dec-24
	₦	₦
Staff Advances & Loans-	416,667	-
Prepaid Expenses -	-	158,121,418
Deferred Expenses - FDO Project - Business Development Cost*	123,362,252	-
	123,778,919	**158,121,418**

* The FBO Project Business development Cost relates to Due diligence activities conducted abroad by a joint NCTHSL-Infrastructure Concessioning Regulatory Commision(ICRC) team have resulted in Progressive engagements on the ICRC's Public Private Partnership approval process of the Fixed Based Operation (FBO) project. With this milestone achieved, the project is now positioned for further implementation, targeted for the 2026 fiscal year hence the deferal of related costs.

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

24 CASH AND BANK BALANCES

Cash and Cash Equivalents are carried **at Cost.** Cash and Cash Equivalents comprise cash in hand, Bank balance held in Naira and US Dollar with Banks.
Below is the analysis of Cash and Bank Balances;

Cash & Bank		
Bank Balances	446,519,110	389,319,006
Cash Balances	5,381	4,449,966
NCS - CBN - 0020258161107	302,174,969	257,052,056
	748,699,460	**650,821,028**

25 INTANGIBLE ASSETS

The Company's intangible assets comprise of carrying amounts of Intangible assets suchs as Softwares, Website Design Cost, and Pre-Incorporation Cost. The Pre Incorporation Cost was capitalised until the company is profitable enough to write it off, No Ammortisation was charged on the Cost. The carrying amounts for the reporting periods under review can be analysed as follows:

	Notes	31-Dec-25	31-Dec-24
Gross Carrying Amount		₦	₦
Balance at 1 January		18,650,661	-
Pre - Incorporation Expenses		-	15,150,661
Software/Website Design		-	3,500,000
Balance at 31 December		18,650,661	18,650,661
Amortisation and Impairment;			
Balance at 1 January		162,021	-
Prior Year Under-Provision		-	-
		162,021	-
Amortisation for the year		875,000	162,021
Impairment Losses for the year			
Disposals			
Reclassified		-	-
Balance at 31 December		1,037,021	162,021
Carrying Amount at 31 December		17,613,640	18,488,640
Carrying Amount at 01 January		18,488,640	-

Amortisation and impairment charges (or reversals if any) are included within 'depreciation, amortisation and impairment of non-financial assets' in the Income Statement.No intangible assets have been pledged as security for liabilities.

26 FINANCIAL LIABILITIES

Financial liabilities measured at amortised cost		**31-Dec-25**	**31-Dec-24**
		₦	₦
Trade Payables	27	3,884,902	322,026
Other Payables	28	76,577,488	32,329,980
		80,462,390	32,652,006

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

27 Trade Payables- Current

Below are the components of Trade Payables;

	31-Dec-25	31-Dec-24
	₦	₦
Trade Creditors	3,884,902	322,026
	3,884,902	**322,026**

28 Other Payables-Current

The Company's Other Payables include Liabilities other than those arising from transaction between clients/ Vendors in the ordinary course of generating Business Revenue.

Below are the components of Other Payables;	31-Dec-25	31-Dec-24
	₦	₦
Accrued Expenses	14,500,000	2,300,000
Staff Payables	5,655,157	-
Statutory Liabilities	56,422,331	30,029,980
	76,577,488	**32,329,980**

29 Directors' Current Accounts*

The Directors' Current Accounts comprises Directors withdrawal during the year under review; and also, short term borrowings, contributions and interest on Loans (Long term and Short terms).

Below is the analysis of Directors Current Accounts

	31-Dec-25	31-Dec-24
	₦	₦
At 1 January	150,000	-
Changes during the year	(150,000)	150,000
At 31 December	-	**150,000**

30 Share Capital

The Shares of Nigeria Customs Technical and Hangar Services Limited consist of fully paid ordinary shares with a par value of one naira per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the Shareholders' meeting of Nigeria Customs Technical and Hangar Services Limited.

Below is the analysis of Shareholdings;		31-Dec-25	31-Dec-24
Names	%	₦	₦
Nigeria Customs Service	70%	700,000,000	700,000,000
Ministry of Finance Incorporated	30%	300,000,000	300,000,000
	100%	**1,000,000,000**	**1,000,000,000**

		31-Dec-25	31-Dec-24
	Shares	₦	₦
Authorised Capital			
Ordinary Shares @ N1 each	1,000,000,000	1,000,000,000	1,000,000,000
Total Ordinary Shares as at 31 December	**1,000,000,000**	**1,000,000,000**	**559,180,011**

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

Shares issues & Fully Paid			
Beginning of the year	1,000,000,000	1,000,000,000	559,180,011
Movement for the Year	-	-	
Total Shares issued at 31	**1,000,000,000**	**1,000,000,000**	**559,180,011**

31 Owners' Current Accounts*

The Owners' Current Accounts comprises Owners withdrawal/Investment during the year under review; and also, short term borrowings, contributions and interest on Loans (Long term and Short terms). NCS Cost Incurred are Cost relating to the Maintenance of NCS Aircrafts and in care of the NCTHSL for the Period

Below is the analysis of Directors Current Accounts

	31-Dec-25	31-Dec-24
	₦	₦
At 1 January	270,148,647	-
Changes during the year		
Recognition of fair value of PPE and Inventory Contributed	1,834,907,810	270,148,647
	2,105,056,457	**270,148,647**
Nigeria Customs Service	1,473,539,520	189,104,053
Ministry of Finance Incorporated	631,516,937	81,044,594
At 31 December	**2,105,056,457**	**270,148,647**

32 Retained Earnings

The Retained Earnings comprises accumulated profits over the years.
The analysis of the Retained Earnings is as follow;

	31-Dec-25	31-Dec-24
	₦	₦
At 1 January	20,329,360	-
Transfer from Income Statement	(93,456,776)	20,329,360
At 31 December	**(73,127,416)**	**20,329,360**

33 Unrealized Exchange gain/Loss

The unrealized Exchange Loss is as a result of foreign currency transaction translation of the Dollar Accounts Balance ($209,101.93) at N1435.76/$1 which had led to the exchange difference of N19,642,578 for the Dollar Accounts.

At 1 January	-	-
Unrealized Exchange Difference for the year	(19,642,578)	-
	(19,642,578)	**-**

34 Taxation

Company Income Tax	-	30,029,980
Development Levy	8,674,434	
NPTF Levy	7,110	-
	8,681,544	**30,029,980**

34 **Defered tax**

As at 01 January	-	-
Provision required for the period	226,983,270	-
Defered Tax (Asset)/Liability	**226,983,270**	-
Total Tax Provision	235,664,814	30,029,980

35 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment comprises Plant & Machinery, Motor Vehicle, Office Equipment, and Items of Furniture and Fittings. Full year Depreciation was Charged for the asset in use at the end of the period. Only a dredger (on hire) has been in use for the period. Thereby Depreciation on Plant and Machinery will be charged on the Asset in use.

The Carrying amount are analysed as follows;

	Furniture & Fittings	Office Equipment	Motor Vehicle	Plant & Machinery	Computer Equipment	Building	Leasehold Land	Technical manual	Total
Gross Carrying Amount	N	N	N	N	N	N	N	N	N
At 1 January 2025	**2,297,050**	**1,695,700**	-	-	**6,854,000**	-	-	**9,000,000**	**19,846,750**
Additions	25,759,293	22,819,800	72,000,000	195,891,100	8,035,000	1,506,412,500	557,587,500	1,600,000	**2,390,105,193**
Revaluation	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 December 2025	**28,056,343**	**24,515,500**	**72,000,000**	**195,891,100**	**14,889,000**	**1,506,412,500**	**557,587,500**	**10,600,000**	**2,409,951,943**
Depreciation & Impairment:									
At 1 January 2025	**227,760**	**147,760**	-	-	**509,800**	-	-	**187,500**	**1,072,820**
Charge for the year									
- Depreciation	2,743,644	4,420,756	14,400,000	19,589,110	2,311,044	30,128,250	-	1,060,000	74,652,803
- Impairment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Reclassified	-	-	-	-	-	-	-	-	-
At 31 December 2025	**2,971,404**	**4,568,516**	**14,400,000**	**19,589,110**	**2,820,844**	**30,128,250**	-	**1,247,500**	**75,725,623**
Carrying amount -									
At 31 December 2025	25,084,939	19,946,984	57,600,000	176,301,990	12,068,156	1,476,284,250	557,587,500	9,352,500	2,334,226,320
At 31 December 2024	2,524,810	1,843,460	-	-	7,363,800	-	-	9,187,500	18,773,930

MANAGEMENT'S ASSESSMENT OF, AND REPORT ON, NIGERIA CUSTOMS TECHNICAL AND HANGAR SERVICES LIMITED'S INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE YEAR ENDED 31ST, DECEMBER 2025

In line with the provision of Sections 7.1 and 7.2(f) of the Financial Reporting Council Act of 2011 and Guidance on Management Report on Internal Control over Financial Reporting, we hereby make the following statements regarding the Internal Controls over Financial Reporting of Nigeria Customs Technical & Hangar Services Limited (NCTHSL) for the year ended 31st December, 2025:

a Management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

b Management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the company's ICFR.

We have reviewed the audited financial statements of the Company for the year ended 31 st December, 2025 and based on our knowledge we certify as follows :

i. The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.

ii. The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition, results of operation and cash flows of the company as of and for the year ended 31st December, 2025.

iii. The Company's management has assessed that the entity's Internal Control over Financial Reporting (ICFR) as of the end of 31st December, 2025 is effective.

iv. The Nigeria Customs Technical and Hangar Services Limited's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 31st December, 2025.

v. The Company's external auditors (Bayco Professional Practices -Chartered Accountants) has issued an attestation report on management's assessment of internal control over financial reporting.

The attestation report of Bayco Professional Practices (Chartered Accountants) that audited the financial statements is included as part of this annual report.

CAPT .K.W. MBAYA	**CLIFFORD KINGSLEY CHIEMEZIE**
Managing Director	**Chief Financial Officer**
FRC/ / / / /	**FRC/ / / / /**

CERTIFICATION OF MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In line with the provision of Sections 7.1 and 7.2(f) of the Financial Reporting Council Act of 2011 and Guidance on Management Report on Internal Control over Financial Reporting, we hereby make the following statements regarding the Internal Controls over Financial Reporting Nigeria Customs Technical & Hangar Services Limited (NCTHSL) for the year ended 31 December 2025:

I, CAPT. Kuhi Wulari Mbaya, certify that:

a I have reviewed this management's assessment on internal control over financial reporting of Nigeria Customs Technical & Hangar Services Limited.

b Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not 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 entity as of, and for, the periods presented in this report;

d Nigeria Customs Technical & Hangar Services Limited's Chief Financial Officer and I:

1 are responsible for establishing and maintaining internal controls;

2 have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to Nigeria Customs Technical & Hangar Services Limited, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

3 have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

4 have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of

e The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the Board Audit, Governance, Nomination and Remuneration Committee:

1 All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and

2 Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f The entity's other certifying officer 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.

CAPT .K.W. MBAYA
Managing Director
FRC/ / / / /

CERTIFICATION OF MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In line with the provision of Sections 7.1 and 7.2(f) of the Financial Reporting Council Act of 2011 and Guidance on Management Report on Internal Control over Financial Reporting, we hereby make the following statements regarding the Internal Controls over Financial Reporting Nigeria Customs Technical & Hangar Services Limited (NCTHSL) for the year ended 31 December 2025:

I, Clifford Kingsley Chiemezie, certify that:

a I have reviewed this management's assessment on internal control over financial reporting of Nigeria Customs Technical & Hangar Services Limited.

b Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not 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 entity as of, and for, the periods presented in this report;

d Nigeria Customs Technical & Hangar Services Limited's Chief Financial Officer and I:

1 am responsible for establishing and maintaining internal controls;
2 have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to Nigeria Customs Technical & Hangar Services Limited, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
3 have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial
4 have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of

e The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the Board Audit, Governance, Nomination and Remuneration Committee:

1 All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
2 Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f The entity's other certifying officer 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.

Cliffor Kingsley Chiemezie
Chief Financial Officer
FRC/ / / / /

NIGERIA CUSTOMS TECHNICAL & HANGAR SERVICES LTD RC 1351212

2ND ANNUAL GENERAL MEETING

The Nordic, Plot 795, Off Shehu Yar'Adua Way, Cadastral Zone B04, Jabi, Abuja

Tuesday, 24 February 2026

VOTE OF THANKS

DCG A. B. Mohammed (RTD)

Distinguished Comptroller General of Customs,

Esteemed Managing Director of the Ministry of Finance Incorporated,

Honourable shareholders, members of the Board, ladies and gentlemen:

On behalf of the Board of Nigeria Customs Technical and Hangar Services Limited, it is my privilege to deliver the Vote of Thanks at the conclusion of this 2nd Annual General Meeting.

We extend our deepest appreciation to our shareholders — the Nigeria Customs Service and the Ministry of Finance Incorporated — for their presence, guidance, and invaluable contributions. Your trust and support continue to strengthen this institution and inspire us to uphold the highest standards of governance and service.

We thank the Chairman for his leadership and for steering today's proceedings with clarity and purpose. We also acknowledge the Managing Director, the Accounts team, and our external auditors for their diligent presentations and reports.

Finally, we thank all staff, management, and invited guests whose dedication and participation have made this meeting a success.

With gratitude, I wish everyone safe travels and continued prosperity. May God bless our shareholders, our institutions, and our nation.

NIGERIA CUSTOMS

TECHNICAL & HANGAR SERVICES LTD

REPORT ON THE MANAGEMENT ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

2025

EDP/EDI

Please Deal.

AUT

24th Feb. 2026

REPORT ON THE MANAGEMENT ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING OF **NIGERIA CUSTOMS TECHNICAL AND HANGAR SERVICES LTD** FOR THE YEAR ENDED 31st DECEMBER 2025

BY

COMPUTAX BUSINESS SOLUTION LIMITED

COMPUTAX

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1. EXECUTIVE SUMMARY

This report presents the findings of our comprehensive Internal Control Over Financial Reporting (ICFR) compliance review for Nigeria Customs Technical and Hangar Services Ltd for the year ended 31st December 2025. The assessment was conducted in accordance with the Financial Reporting Council of Nigeria (FRCN) guidelines and the COSO internal control framework, spanning four critical phases: Risk Assessment, Gap Analysis, Control Documentation, and Testing & Validation.

Our review evaluated 82 unique controls across Entity Level Controls, Process Level Controls, and Information Technology General Controls. The overall assessment indicates that while 79.2% (65 controls) are adequately designed and operating effectively, significant improvements are required to achieve full ICFR compliance. We identified 17 ineffective controls requiring remediation—primarily within process-level controls—with established timelines for corrective action.

The control environment demonstrates foundational strengths in governance structures and financial reporting mechanisms. However, the identified gaps, if unaddressed, could expose the organization to financial misstatement risks and regulatory non-compliance. Implementing the recommendations outlined in this report will strengthen financial governance, reduce risk exposure, and align the organization with national regulatory expectations.

We recommend that management establish a formal ICFR implementation roadmap with defined timelines, responsibilities, and monitoring mechanisms to address the 17 control gaps identified. Our team remains available to provide technical support throughout this transformation journey.

Sign

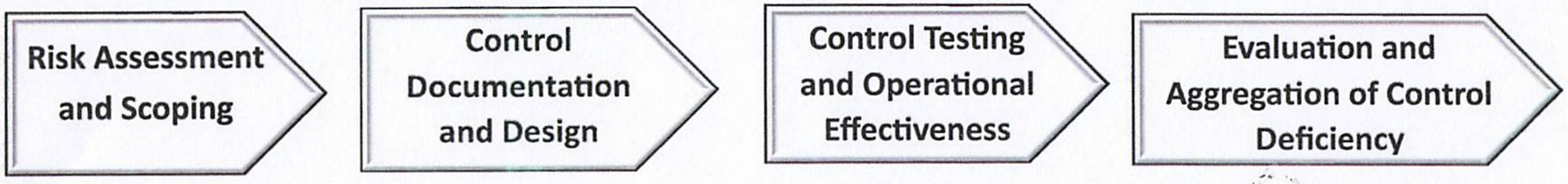
Adeshola Amoo, FCA
FRC/2013/PRO/ICAN/004/00000002075
COMPUTAX BUSINESS SOLUTION LIMITED
(BUSINESS AND ADVISORY SERVICES).
Abuja Nigeria

2. Introduction

The Internal Control over Financial Reporting (ICFR) assessment engagement conducted by Computax Business Solutions Limited on behalf of Nigeria Customs Technical and Hangar Services Ltd complies with the applicable legal requirements of the Financial Reporting Council of Nigeria on the Implementation of Management Report on Internal Control over Financial Reporting

This report has been prepared to update Management on our activities and to bring to your attention any other matters that are relevant to your roles and responsibilities

Summary of Work Done



3. Framework

Our assessment was performed in line with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to combat fraudulent financial reporting. The COSO Framework, a widely recognized model for internal control guides organizations in managing risks and achieving business objectives.

To establish a formal structure for evaluating the adequacy and effectiveness of operational and financial controls implemented, the Financial Reporting Council of Nigeria recommended adopting the COSO Framework. This framework has five (5) components and seventeen (17) principles:

Components	**Control Environment**	**Risk Assessment**	**Control Activities**	**Communication**	**Monitoring Activities**
Principles	1. Demonstrates commitment to integrity and ethical values 2. Exercises oversight responsibility 3. Establishes structure, authority and responsibility 4. Demonstrates commitment to competence 5. Enforces accountability	6. Specifies relevant objectives 7. Identifies and anatw8s risk 8. Assesses fraud risk 9. Identifies and analyses significant change	10. Selects and develops control activities 11. Selects and develops general controls over technology 12. Deploys through policies and procedures	13. Uses relevant information 14. Communicates internally 15. Communicates externally	16. Conducts ongoing and/or separate evaluations 17. Evaluates and communicates deficiencies

4. Approach

- The review was conducted in line with COSO's 2013 Internal Control Framework, and its objective is to assist the Management of NCTHSL with the implementation support for Internal Control over Financial Reporting (ICFFI).
- The scope covers:
  - ✓ Evaluation of each of the 5 components and 17 principles of ICFR as per the COSO framework.
  - ✓ Identification and analysis of significant business processes and transactions.
  - ✓ Detailed Risk and Control Matrices for Material Financial Statement Line Items (FSLIs).
  - ✓ Analysis of significant risks by performing control assessment at the entity level
  - ✓ Identification of gaps in significant risks, controls, and recommendations to enhance and optimize business processes, procedures, and IT and manual controls.
  - ✓ Prepare a testing plan and templates necessary to meet the reporting requirements.
  - ✓ Identify and document all gaps, and provide recommendations, including alternative remediation options along with their testing and sign-offs from the respective process owners.
  - ✓ Finalise the management action plans, i.e., any remaining gaps to be remediated, along with details of the respective process owners and due date.

5.Scope and Objective

Scope

The scope of work includes:

- Assessment covered the year 2025 financials and operations.
- Review the organization's control framework to understand its governance structures and internal control mechanisms.
- Identify key business processes relevant to financial reporting, operational effectiveness, and regulatory compliance
- Map out key controls within these processes, categorizing them as preventive or detective, automated or manual.
- Determine key risk exposures and the controls designed to mitigate the risks.
- Assess whether controls are designed to achieve intended objectives.
- Evaluate control alignment with COSO, industry standards, and best practices.
- Conduct sample-based assessments to evaluate control design implementation for NCTHSL.

Objectives

The objective of the engagement is to assist the management of the Company with the assessment/implementation of the Internal Control over Financial Reporting (ICFR) for the year 2025, with the following objectives:

- Evaluate the design and operational effectiveness of the ICFR framework designed by the Financial Reporting Council (FRC) of Nigeria.
- Ensure compliance with financial reporting standards (e.g., International Financial Reporting Standards (IFRS), and FRC guidelines.
- Provide actionable recommendations and templates to improve the framework and ensure sustainable operations within the Company.
- It serves as a critical foundation for an organization's financial integrity and governance, providing a framework that mitigates risks and supports sound, informed decision-making.

6. Test of Controls Design and Operating Effectiveness

Entity Level Controls

- Entity-level controls are controls that are implemented at the organization-wide or entity-wide level to ensure the effectiveness of internal controls over financial reporting (ICFR). These controls typically encompass the governance structure, management philosophy, and overall control environment within the organization.
- They are designed to provide reasonable assurance regarding the reliability of financial reporting, and the effectiveness of operations and compliance.

Process Level Controls (PLC)

- Process-level controls are detailed controls designed to ensure that specific business processes and transactions are executed accurately, efficiently, and in compliance with policies and procedures.

Information Technology General Controls (ITGC)

- IT General Controls (ITGC) for Internal Control over Financial Reporting (ICFR) refers to the broad policies, procedures, and practices established to ensure the integrity, security, and reliability of an organization's IT systems and data. These controls are crucial for ensuring the effectiveness of financial reporting processes.

Test of Operating Effectiveness

The Test of Operating Effectiveness provides assurance that an organization's internal control environment is working as intended. This test evaluates whether the control operates as designed and ensures that the individual executing the control has the necessary authority and competence to do so effectively (See Appendix A 1 – 3 for the List of all controls and principles tested).

7. Control Ratings

Basis of Control Ratings

- The rating methodology provides a framework for evaluating the effectiveness of ICFR
- The control rating identified as an outcome of the IC:FR performed are categorized as:
    - Material Weakness
    - Significant Deficiency
    - Deficiency
- Each of the reported observations were assessed as per the criteria given here for identifying the corresponding risk category

Material Weakness

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis

Significant Deficiency

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness yet important enough to merit attention by those responsible for oversight of the company's financial reporting

Deficiency

A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively

8. Materiality Determination and Scoping

We computed the materiality to determine the Financial Statement Line Items (FSLI) that will be scoped in for the purpose of evaluating the relevant controls over the process and activities associated with the FSLI. The following table presents the computation materiality derived from the audited financial statement of 2024. For this engagement, we considered the Profit Before Tax (PBT) as financially Significant. We also considered the Total Assets. Subsequently, the Overall Materiality (OM) was assessed at 7% of PBT and 2% of Total Assets.

To identify significant accounts, a comprehensive evaluation was conducted, employing both quantitative and qualitative criteria to scrutinize each line item in the financial statement. The ensuing conclusions were established on a set of assumptions as outlined below:

Quantitative Assumptions

- Line items exceeding the computed Overall Materiality (OM) are classified as high or medium-risk accounts and have been incorporated into the assessment scope.
- Conversely, line items falling below the calculated OM are deemed low-risk and are excluded from the scope of control testing

Qualitative Assumptions

In assessing qualitative assumptions, processes are assigned ratings based on qualitative factors (disclosed in the table). Ratings are characterized as high, medium, or low risk, reflecting the evaluated qualitative impact of the FSLI and related business processes under consideration.

Qualitative Factors

- Nature and subjectivity of the account or disclosure
- Susceptibility to misstatement and/or loss due to errors, contingent liabilities, or fraud Ac
- Accounting and reporting
- Homogeneity of transactions
- Related party transactions
- Changes from the prior period

Materiality

Description	Amount (N)	Materiality Weight	Materiality Amount (N)
Total Asset	882,460,025.00	2%	17,649,206.50
PBT	50,359,341.00	7%	3,525,153.87

We applied Total Assets which is commonly applied (1% – 2% of assets), because it is crucial for companies with significant investment in hangar space, specialized tools, and rotables.

9. Accounts/Financial statement line items in Scope

Financial Statement Line Items (FSLIs) were assessed and categorized as "High", "Medium", or "Low", based on considerations of materiality and the evaluation of seven qualitative factors. Our scrutiny of the Audited Financial Statement for the period ended 31st December 2024 and the management account for the period spanning January 2025 to September 2025 revealed a total of twenty-seven (18) FSLIs falling within the scope of our analysis.

S/N	Financial statement line item	Amount (N)	Risk Rating	S/N	Financial statement line item	Amount (N)	Risk Rating
1	Property, Plant & Equipment	18,773,930	Medium	12	Revenue	205,193,425	High
2	Intangible Assets	3,337,979	Low	13	Cost of sales	-12,488,075	Medium
3	Pre-Incorporation Cost	15,150,661	Low	14	Other Operating Income (Exchange Rate Gain)	8,025,206	Low
4	Inventory	298,000	Low	15	Other Operating cost	1,072,820	Low
5	Trade & Other Receivables	194,078,426	High	16	Profit Before Tax	50.359.341	High
6	Cash & Cash Equivalents	650,821,028	High	17	Provision for tax	-30,029,980	High
7	Share Capital	559,180,011	High	18	Profit after tax	20,329,361	High
8	Retained Income	20,329,361	Medium	19	Current Account with NCS	270,148,647	High
9	Trade & other Payables	2,622,026	Low				
10	Directors' fund	150,000	Low				
11	Current Tax Payable	30,029,980	Medium				

Note
1. Tax related FSLIs are considered in-scope due to regulatory considerations
2. Depreciation, Amortization and Impairment are considered in-scope as they form part of the Property, Plant and Equipment FSLI

10. Findings and Recommendations

Findings are based on the evidence gathered through the interviews conducted, analyses performed and documentation reviewed for each assessment criteria. Appendix B provides a summary of all findings and conclusions for each of the assessment criteria.

Findings of lesser materiality, risk or impact have been communicated/discussed with the management. Please see below a summary of the controls tested:

Summary of Controls

Summary of Controls tested for the Test of Design	**Total Controls**	**Controls Tested**	**Controls not tested**	**Effective Controls**	**Ineffective Controls**
Entity Level Control (ELC)	21	21	0	17	4
Process Level Control (PLC)	31	31	0	21	10
Financial Statement Level Control (FSLC)	19	19	0	17	2
Information Technology General Control (ITGC)	11	11	0	10	1
Total Control Tested	82	82	0	65	17

Summary of Controls for Remediation

Control Gaps		**Fully Remediated**	**Partially Remediated**	**Not Remediated**
Test of Design (TOD)	7	0	0	7
Test of Effectiveness (TOE)	10	0	0	10
TOTAL	17	0	0	17

Deficiency Aggregator

We tested the design and implementation of 82 unique controls across the company. 79.2% of these controls are confirmed to be adequately designed and implemented.

Conclusion

The control testing exercise provided full coverage across entity, process, financial statement, and IT general controls, with 82 controls tested in total. Of these, 65 were assessed as effective, while 17 were identified as ineffective—primarily within process-level controls.

In terms of remediation, 17 control gaps were identified through both the Test of Design and Test of Effectiveness. These gaps have not yet been remediated; however, remediation timelines have been established and are documented in the areas of improvement outlined in Appendix B 1 and 2.

Overall, while the majority of controls are operating effectively, the presence of 17 ineffective controls highlights areas requiring attention. The inclusion of defined remediation timelines demonstrates a proactive approach to strengthening the control environment and ensuring that identified weaknesses are systematically addressed.

Sign

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Abuja Nigeria

11. APPENDICES

APPENDIX A 1

Entity Level Controls (Test of Design & Operating Effectiveness)

S/N	Control Principles	Control Descriptions	Element	Design	Implementation conclusion	Operating Effectiveness
1	Principle 1: The organization demonstrates commitment to integrity and ethical values	Code of conduct and Board charter	Control environment	Effective	Implemented	Effective
2	Principle 2: Management exercises oversight responsibility	Human Resource Policy Manual	Control environment	Effective	Implemented	Effective
3	Principle 3: Management establishes structure, authority and responsibility	Board Charters and Code of ethics	Control environment	Effective	Implemented	Effective
4	Principle 4: Management establishes, with board, oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.	Departmental organogram	Control environment	Effective	Implemented	Effective
5	Principle 5: The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives	Human Resource Management policy Manual	Control environment	Effective	Implemented	Effective
6	'Principle 5: The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives	HR Policy Manual 'Performance Appraisal report	Control environment	Effective	Implemented	Effective
8	Principle 6: The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks dating to objectives	ERP Procedural Manual	Risk assessment	Effective	Implemented	Effective

9	Principle 7: The organization identifies risks to the achievement of its objectives across the entity and analyses risks as a basis for determining how the risks should be managed	Enterprise risk management framework & risk register	Risk assessment	Effective	Implemented	Effective

APPENDIX A1 - Entity Level Controls (Test of Design & Operating Effectiveness)

S/N	Control Principles	Control description	Element	Design	Implementation	Operating effectiveness
10	Principle 8: The organization considers the potential for fraud in assessing risks to the achievement of objectives.	Enterprise risk management framework & risk register	Risk assessment	Effective	Implemented	Effective
11	Principle 9: Management identifies and analyses significant change.	Risk Assessments, and Approval Matrices	Risk assessment	Effective	Implemented	Effective
12	Principle 10: The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.	Test under Direct Control	Control Activities	Effective	Implemented	Effective
13	Principle 11: The organization selects and develops general control activities over technology to support the achievement of objectives.	Test under Direct Control	Control Activities	Effective	Implemented	Effective
14	Principle 12: The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.	Test under Direct Control	Control Activities	Effective	Implemented	Effective
15	Principle 13: The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.	Tested under GITC	Information and communication	See GITC Control	See GITC Control	See GITC Control
16	Principle 14: The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.	Whistleblowing policy	Information and communication	Effective	Implemented	Effective

17	Principle 14: The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control,	Internal control manual, Internal audit board report	Information and communication	Effective	Implemented	Effective

APPENDIX A1 – Entity Level Controls (Test of Design & Operating Effectiveness)

S/N	Control Principles	Control description	Element	Design	Implementation	Operating effectiveness
18	Principle 15: The organization communicates with external parties regarding matters affecting the functioning of internal control.	Board minutes of meeting,	Information and communication	Effective	Implemented	Effective
19	Principle 15: The organization communicates with external parties regarding matters affecting the functioning of internal control.	Whistleblowing policy	Information and communication	Effective	Implemented	Effective
20	Principle 16: The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.	Internal Audit Plan and Internal control manual	Monitoring	Effective	Implemented	Effective
21	Principle 17: The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking correction, including senior management and the board of directors, as appropriate.	Executive management minutes of meeting, internal audit report	Monitoring	Effective	Implemented	Effective

APPENDIX A 2 - Process Level Controls (Test of Design & Operating Effectiveness)

S/No	ABCOTDs	Type	Business Process/Principle of Focus	Control Description	Design conclusion	Implementation conclusion	Operating Effectiveness conclusion
1	Bank Balance	Account balance	Cash Management	Review of Bank reconciliation statement by the Finance & Accounts Manager	Effective	Implemented	Effective
2	Bank Balance	Account balance	Cash Management	Approval of transaction on integrity by different levels of officers before payment is made	Effective	Implemented	Effective
3	Expected credit loss on financial assets – Cash & Cash Equivalent	Account balance	ECL Process on Cash & Cash Equivalent	Review of Preconfigured ECL computation on financial asset by the Finance & Accounts Manager	Not effective	Not effective	Not effective
4	Expected credit loss on financial assets – Trade Receivables	Account balance	ECL Process on Trade Receivables	Review of reconciliation of Trade Receivables schedule with General Ledger by the Finance & Accounts Manager	Not Effective	Not Effective	Not Effective
5	Property, plant and equipment	Account balance	Property, Plant and Equipment process	Review of monthly proof of fixed asset register reconciliation to the trial balance	Effective	Implemented	Effective

ABCOTDs means - Account Balances, Class of Transactions and Disclosures

APPENDIX A2 – Process Level Controls (Test of Design & Operating Effectiveness)

S/N	ABCOTDs	Type	Business Process/Principle of Focus	Control Description	Design conclusion	Implementation conclusion	Operating Effectiveness conclusion
6	Property, plant and equipment	Account balance	Property, Plant and Equipment process	Approval of Acquisition of PPE by different level officer	Effective	Implemented	Effective
7	Property, plant and equipment	Account balance	Property, Plant and Equipment process	Physical verification exercise performed by the Internal Audit	Effective	Implemented	Effective
8	Property, plant and equipment	Account balance	Property, Plant and Equipment process	Verification to detect obsolete/impaired Fixed Asset register by the Internal audit officer	Effective	Implemented	Effective
9	Property, plant and equipment	Account balance	Property, Plant and Equipment process	Approval of disposal of PPE by the Head of Risk Management and compliance	Effective	Implemented	Effective
10	Property, plant and equipment	Account balance	Property, Plant and Equipment process	Unique identification number and user mapping	Not Effective	Not Effective	Not Effective
11	Property, plant and equipment	Account balance	Property, Plant and Equipment process	Review of impairment computation and the posting in the GL by the Finance & Accounts Manager	Not Effective	Not Effective	Not Effective
12	Other Assets	Account balance	Other assets process payment	Reconciliation of balance on the prepayment computation schedule and trial balance by the Finance & Accounts Manager.	Effective	Implemented	Effective

APPENDIX A2 – Process Level Controls (Test of Design & Operating Effectiveness)

S/No	ABCOTDs	Type	Business Process/Principle of Focus	Control Description	Design conclusion	Implementation conclusion	Operating Effectiveness conclusion
13	Other Liabilities/ related parties	Account balance	Inter-Company	Review of Journal raised by Finance & Accounts Manager in relation to related party transactions	Not Effective	Not Implemented	Not Effective
14	Other Liabilities	Account balance	Other Liability	Approval of journal with respect to derecognition of other liabilities	Effective	Implemented	Effective
15	Share capital	Account balance	Equity	Board of Directors approves the issuance and then seeks regulatory authorization from CAC.	Effective	Implemented	Effective
16	Share capital	Account balance	Equity	Finance & Accounts Manager review the registrar's final validation report of amount paid by investors against the share allotment schedule.	Not Effective	Not Effective	Not Effective
17	Withholding tax payable	Account balance	Withholding tax payable	Check the formular used and ensure the rate is properly apply to the cost of the goods purchased/services rendered less VAT element	Effective	Implemented	Effective
18	Withholding tax payable	Account balance	Withholding tax payable	Review and approval of withholding tax computation schedule by the Finance & Accounts Manager	Effective	Implemented	Effective
19	Other Operating expenses	Class of transaction	Expenses process	Approval of expenses prior to payment by the different superior officers	Effective	Implemented	Effective
20	Other Operating expenses	Class of	Expenses process	Review and agrees expense schedule to the trial balance.	Effective	Implemented	Effective

APPENDIX A2 – Process Level Controls (Test of Design & Operating Effectiveness)

S/No	ABCOTDs	Type	Business Process/Principle of Focus	Control Description	Design conclusion	Implementation conclusion	Operating Effectiveness conclusion
21	Finance cost	Class of transaction	Borrowing	Review of journal raised for interest against amortized cost computation by the Finance & Accounts Manager	Effective	Implemented	Effective
22	Finance cost	Class of transaction	Borrowing	Review of agreeing interest expense stated in the amortized cost computation borrowing against trial balance amount	Effective	Implemented	Effective
23	Depreciation	Class of transaction	Depreciation	Review of journal entry to recognize depreciation/amortization by the Finance & Accounts Manager	Effective	Implemented	Effective
24	Depreciation	Class of transaction	Depreciation	Review of fixed asset register depreciation charge to agree with the trail balance.	Effective	Implemented	Effective
25	Depreciation	Class of transaction	Depreciation	Review of depreciation computation by the Finance & Accounts Manager	Effective	Implemented	Effective
26	Inventory	Class of transaction	Inventory management	Creating purchase orders for suppliers based on forecasts, managing procurement.	Effective	Implemented	Effective
27	Inventory	Class of transaction	Inventory management	Accepting deliveries, verifying quantities, and checking quality against orders.	Effective	Implemented	Effective
28	Inventory	Class of transaction	Inventory management	Organizing and storing goods in the warehouse efficiently, often using applicable methods.	Not Effective	Not Effective	Not Effective
29	Inventory	Class of transaction	Inventory management	Continuously monitoring stock levels using systems (like perpetual inventory) or counts (cycle counts).	Not Effective	Not Effective	Not Effective
30	Inventory	Class of transaction	Inventory management	Reordering stock when levels hit predetermined reorder points to prevent shortages.	Not Effective	Not Effective	Not Effective

31	Financial Reporting	Class of transaction	Financial Reporting process	Finance & Accounts Manager perform opening balance reconciliation using the prior year audited financial statement and general ledger	Effective	Implemented	Effective

APPENDIX A3 – Information Technology General Control (ITGC)

S/N	General IT Control	Control description	Design	Implementation	Operating effectiveness
1	Application: ✓ Quick Book, ✓ CAMP Systems	Management approves the nature and extent of user-access privileges for new and modified user access, including standards application profiles/roles, critical financial reporting transactions and segregation of duties.	Effective	Implemented	Effective
2	Application	Access for terminated and /or transferred users is removed or modified in a timely manner	Effective	Implemented	Effective
3	Application	User access is periodically reviewed.	Effective	Implemented	Effective
4	Application	Segregation of duties (SoD) is monitored and conflicting access is either removed or mapped to mitigating controls, which are documented and tested.	Effective	Implemented	Effective
5	Application	Privileged-level access (e.g, security administrators) is authorized and appropriately restricted.	Effective	Implemented	Effective
6	Application	Backup and data security	Effective	Implemented	Effective
7	Application	Access is authenticated through unique user IDs and passwords or other methods as a mechanism for validating that users are authorized to gain access to the system, Password parameters meet company end/or industry standards (e.g, password minimum length and complexity, expiration, account lockout)	Effective	Implemented	Effective
8	IT Governance	Disaster recovery and incident response plans	Effective	Implemented	Effective
9	IT Governance	Data privacy	Effective	Implemented	Effective
10	IT Governance	Strategic Alignment - IT directly support strategic objectives	Effective	Implemented	Effective
11	IT Governance	IT Policy – Entity does have general IT policy except that which are attached to the Apps in used.	Not Effective	Not Effective	Not Effective

APPENDIX B1

Areas for Improvement - Entity Level Controls

	COSO Framework (Principle)	Entity Levels Control	Recommendation	Deficiency Rating	Remediation Timeline	Management Response
1	**Principle 2:** Exercises oversight responsibility	**Principle 11: Board Committees:** " To ensure efficiency and effectiveness the Board delegates some of its functions, duties responsibilities to well-structured committees. without abdicating its responsibilities" We observed that the entity does not have Board Committees even though the company has 4 directors. According to **Principle 14** of the Nigerian Code of Corporate Governance (NCCG) 2018, The Board should establish a system to undertake a formal and rigorous annual evaluation of its own performance, that of its committees, the Chairman and individual Directors. This process should be externally facilitated by an independent external consultant at least once in three years. However, we identified that there is no evidence of periodic performance evaluations of the Board of Directors or individual Board members. This is against principle 14 of the NCCG.	**We recommend that:** Board should set up all the necessary committees as prescribed by NCCG 2018 to avoid unnecessary sanction from regulators. NCTHSL should implement an annual evaluation process for the Board and individual directors, including self-assessments, peer reviews, and external evaluations.	Deficiency	February 2026	Board members will be appointed at the next annual general meeting (AGM). Following their appointment, the new members will be assigned to various committees to ensure effective oversight and governance. In addition, the board is currently deliberately on the inclusion of Non – Executive directors with specialized expertise to chair the Audit committee. This step is intended to strengthen the independence, objectivity, and technical competence of the committee in fulfilling its oversight responsibilities and functions.

Areas for Improvement - Entity Level Controls

	COSO Principle	Entity Levels Controls	Recommendation	Deficiency Rating	Remediation Timeline	Management Response
2	**Principle 7:** Identifies risks to the achievement of its objectives across the entity and analyses risks as a basis for determining how the risks should be managed	While reviewing the "Risk Management Framework, we observed that the Risk Appetite Statement includes qualitative descriptions but lacks quantitative thresholds for financial, operational, and compliance risks (except safety). The implication of this is that Financial reporting risks may not be adequately measured or monitored, leading to undetected material misstatements	We recommend that management define quantitative thresholds (e.g., maximum allowable budget variance, FX exposure limits) for all risk categories and integrate into periodic reporting.	**Deficiency**	Feb. 2026	Risk Committee constituted
3	**Principle 9:** Identifies and analyses significant change	As part of the document submitted and reviewed, the entity has a robust risk management framework/ manual. However, we observed that the entity does not have a centralized or dedicated person handling the risk assessment for the organization. This negates the principle of COSO and makes it difficult to entity to have a Corporate Risk Profile.	**We recommend that:** The management should give the responsibility of the company's risk management to a very senior officer that knowledgeable about it and ensure that the framework is being updated regularly as the business of the entity is changing to put the necessary control in place for the associated risks. The framework for Internal Control over Financial Reporting should include the risk assessment methodology and complete roles and responsibilities.	**Deficiency**	FEB 2026	Risk Committee has been Constituted

			This includes putting in place a follow-up strategy to ensure that recommendations are implemented in accordance with planned actions and timelines.			
4	**Principle 10: Selects and develops control activities that mitigate risks**	**<u>Lack of separation of duties</u>** We also observed that there is no separation of duties between the Human Resources department and Procurement department. Allowing one officer to operate as both the Head of Human Resources (HR) and the Procurement Officer creates a high-risk scenario due to the violation of segregation of duties (SoD) principles. Risks associated with Dual Role (HR + Procurement) includes: ✓ Conflict of Interest (High Risk) ✓ Fraudulent Vendor Creation ✓ Approval of Incompatible Duties ✓ Manipulated Payroll/Contracting ✓ Burnout and Operational Inefficiencies, and ✓ Inadequate Auditing	**We recommend that:** ✓ the management should deploy advanced ERP software (like SAP or Oracle) that automatically enforces Segregation of Duties. ✓ More staff should be employed ✓ Management should apply compensation control to mitigate the risk associated with segregation of duties.	**Deficiency**	Quarter 2, 2026	Management will ensure that the principle of segregation of duties is enforced at levels in the Organisation.

Areas for Improvement - Entity Level Controls

	COSO Principle	Entity Levels Controls	Recommendation	Deficiency Rating	Remediation Timeline	Management Response
5	**Principle 10:** Selects and develops control activities that mitigate risks	**Principle 18** of the Nigerian Code of Corporate Governance (NCCG) 2018 emphasizes the establishment of an independent internal audit function that reports directly to the audit committee, while maintaining a functional line of communication with the Managing Director/Chief Executive Officer. Furthermore, Principle 18.5 of the Code states that the head of internal audit is responsible for developing a risk-based annual internal audit plan, which should be approved by the audit committee. However, we observed that although the Company has an internal audit unit in place, but with only one staff and with limited scope of operation/coverage. We also observed that the Quality Assurance Unit/department also carries out quality audit for regulatory purpose (which is good and required) but tools and stock/inventory items are not been audited by the internal auditor. We further observed that the internal audit activities including investigations	**We recommend that:** NCTHSL should take immediate steps to establish an independent internal audit function in line with Principle 18 of the Nigerian Code of Corporate Governance (NCCG) 2018. The internal audit department should be staffed with adequate and qualified personnel and structured properly to enable it function effectively. In addition, the head of internal audit should be tasked with responsibility of developing a comprehensive, risk-based annual internal audit plan for review and approval by the **audit committee**. These actions will help strengthen the organization's internal control framework, promote accountability,	**Deficiency**	Feb. 2026	i. Internal Audit Charter ii. Internal Audit Manual, and iii. Risk-based Annual Internal Audit Plan has been developed awaiting the Boards approval.

		whenever it is done are not usually and formally documented in form of report. This is evidenced because we were not given any of their previous internal audit report to review.	and enhance overall corporate governance.			

APPENDIX B2 - Areas for Improvement - Process Level Controls

	COSO Principle	Entity Levels Controls	Recommendation	Deficiency Rating	Remediation Timeline	Management Response
6	**Principle 10:** Selects and develops control activities that mitigate risks	**Non-Impairment of Property Plant & Equipment (PPE)** Although we observed that major assets of the entity are not properly documented due to outstanding issue between the entity and the owner (Nigeria Customs Service). However, other documented assets were not subjected to impairment as required by IAS 36 and best practice. This position was confirmed during our interview with management. We also observed that the provisions of IAS 16 (IAS 16 Property, Plant and Equipment) with regards to the treatment of spare parts and tools either as stocks or PPE are not been complied with by the entity.	We recommend that the management should: • Establish a Clear Impairment Policy • Regularly Assess for Impairment Indicators • Perform a Formal Impairment Test in line with IAS 36 • Recognize Impairment Loss Promptly • Adjust Future Depreciation, and • Ensure Robust Documentation • Ensure there is a clear and proper treatment of tools and spare parts either as stock and provisions of IAS2 or as PPE and comply	Deficiency	Quarter 2, 2026	The company's accounting policies are currently being updated to strengthen asset management and reporting practices. As part of this update a structured revaluation process for PPE will be introduced on a bi annual basis. The routine revaluation will ensure that any potential impairment of PPE is identified and recognized appropriately during the financial year. In addition, the accounting policies will provide flexibility for annual revaluations where necessary, thereby enhancing transparency and compliance with applicable accounting standard. The revise accounting policies, including framework are expected to be finalized and formally adopted within the next three months.

			with the requirement of IAS 16 respectively.			
7	**Principle 10:** Selects and develops control activities that mitigate risks	**<u>Capitalisation of Pre-incorporation cost:</u>** During our review of the 2024 Audited Financial Statement, we observed that the management capitalized Pre-incorporation cost of over N15m. There was no note to explain what it was as required by IAS 1:117. The entity was incorporated since 2016. How long will the amount be carried in the book and for what purpose? Under international standards (IFRS/IAS 38), these costs are generally treated as period expenses and not capitalized because they do not meet the criteria of generating future economic benefits. The assets have been overstated which led to accounting standard violations and misstatement of the financial statements.	We recommend that management should: • Strictly adhere to Accounting Standards (IFRS): According to IAS 38, pre-incorporation expenses should be recognized as an expense in the Profit & Loss statement in the year they are incurred	Significant Deficiency	Quarter 1, 2026	The incorporation cost incurred in connections with the increase of the company's share capital to one billion units was initially capitalized. This treatment was adopted to defer recognition of the expense until the company generates sufficient profits to absorb the impact. In line with IAS 38 (Intangible Assets) and IAS 32 (Financial Instruments presents incorporation and share issues cost are generally recognized as an expense in the period incurred, unless they qualify to be deducted directly from equity as transaction cost of an equity instrument. Accordingly, the company will expense or write off the capitalized incorporations cost in the 2025 audited financial statement, ensuring compliance with IFRS requirements and enhancing transparency in financial reporting. This adjustment will align the company accounting policies with international best practices ensuring that incorporation cost is not overstated as asset and are appropriately reflected in the equity or Profit and loss.
8	**Principle 10:** Selects and	**<u>Non-Recognition of Expected Credit Loss (ECL) on Trade Receivables and Cash and Cash Equivalent:</u>**	We recommend that the management should:	Deficiency	Quarter 1, 2026	The Company's accounting policies are currently being updated to strengthen credit risk

	develops control activities that mitigate risks	We observed that ECL is neither computed nor recognized on trade receivable and cash and cash equivalent as required by IFRS 9. This could result in Material Misstatement of Financial Statements, Delayed Loss Recognition, Regulatory Penalties and non-compliance with standards.	• Implement the Simplified Approach • Develop a Provision Matrix • Seek expert assistance to help with the initial setup and validation of the ECL models, especially if internal expertise is limited.			management and financial reporting. Historically, provisions for bad or doubtful debts have not been recognized. However, in line with IFRS 9 (Financial Instruments), the revised policies will incorporate the Expected Credit Loss (ECL) model for trade receivables. This model requires recognition of impairment based on forward-looking information, rather than waiting for an actual default event. Under IFRS 9, entities must apply either: - 12-month ECL (for receivables with low credit risk), or - Lifetime ECL (for trade receivables, using the simplified approach). Accordingly, provisions for doubtful debts and impairment losses will be systematically recognized in the 2025 audited financial statements, ensuring compliance with IFRS and enhancing transparency in reporting credit risk exposure

Areas for Improvement - process Level Controls

	COSO Principle	Entity Levels Controls	Recommendation	Deficiency Rating	Remediation Timeline	Management Response
9	**Principle 10: Selects and develops control activities that mitigate risks**	**<u>Certification of Financial Statements</u>** ✓ Statement of Directors' Responsibilities, ✓ Directors' report and was not signed This is contravention of Company and Allied matters Act (CAMA) and FRC Act and FRC Rules. We also observed that Capt. K.W. Mbaya (MD/CEO) and Dauda Eniola Khadyah (Head of Account) the two directors signed the **Audited Financial Statements** without FRC number. This is contrary to the provision of Section 7 (2g) of the Financial Reporting Council of Nigeria Act FRC) and FRC Rule 1 which requires certification of annual report, financial statements, accounts, financial report, returns and other documents of a financial nature by the Chief Executive Officer (CEO) and the Chief Financial Officer	We recommend that the management should ensure that all the necessary signatories to the financial statements are dully registered with FRC and signed the financial statements with FRC number as prescribed by Section 8.I(f) of FRC Act, 2023 (as amended) to avoid regulatory sanction from FRC.	**Deficiency**	Quarter 1, 2026	The Company has taken proactive steps to ensure that all signatories to the financial statements are compliant with the Financial Reporting Council of Nigeria (FRCN) requirements. The registration process for these signatories is currently underway, and their FRCN registration numbers will be included in the 2025 audited financial statements. In addition, the audited financial statements will incorporate: * A signed Statement of Directors' Responsibility, affirming that the financial statements present a true and fair view of the Company's affairs and comply with applicable accounting standards. * A Directors' Report, providing narrative disclosures on governance,

		(CFO) with FRC numbers. This is also a violation of FRC Rule 1 and 2.				performance, and other statutory matters in line with the Companies and Allied Matters Act (CAMA) and FRCN guidelines. This certification process will strengthen accountability, enhances compliance with Nigerian financial reporting regulations, and provides stakeholders with greater confidence in the integrity of the Company's financial disclosures

Areas for Improvement - Process Level Controls

	COSO Principle	Entity Levels Controls	Recommendation	Deficiency Rating	Remediation Timeline	Management Response
10	**Principle 10: Selects and develops control activities that mitigate risks**	**<u>Non-Disclosure of Related Parties Transaction/Information:</u>** We observed that there is information about related party in the financial statements as required by IAS 24. The objective of IAS 24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.	We recommend that the CFO should ensure that adequate information about the related parties and related party transaction are disclosed going forward. Failure to disclose related party transactions (RPTs) can lead to regulatory sanctions and fines, and severe damage to a company's reputation and investor confidence. Transparency in reporting RPTs is mandatory under the IAS 24 reporting frameworks to prevent conflicts of interest and potential fraud.	Deficiency	Quarter 1. 2026	Necessary disclosure will be included in the 2025audited financial statements and required by applicable standards
11	**Principle 10: Selects and develops control activities that mitigate risks**	**<u>Non-Compliance with FRC Rules 2 -Disclosure of professionals providing assurance services to the entity:</u>** During our review, we observed that under the Administrative Cost, there is a line item called "Consultancy Professional Fee" of N9.9m. FRC Rule 2 requires that any professional providing	**We recommend** that management should ensure that all professional providing assurance or certifying any part of an annual report, financial statements, accounts, financial report, returns, and other documents of a financial nature are register with the FRC and certify the financial statements by	Significant Deficiency	Quarter 1, 2026	This will be complied with in the 2025 Audited Financial Statements

		assurance or certifying any part of an annual report, financial statements, accounts, financial report, returns, and other documents of a financial nature shall certify by indicating his or her name and FRC registration number. The Rule also requires a reporting entity to disclose the name of the professional, name of the professional firm or entity, and the FRC registration number of the professional and firm, as well as a summary of the service(s) rendered. It also requires any person attesting, as Chairman of Audit Committee, to annual report, financial statements, accounts, financial report, returns, and other documents of a financial nature, to be a professional member of an accounting body established by Act of National Assembly in Nigeria All these could not be located in the financial statements.	indicating his or her name and FRC registration number. Failure to comply with this shall attract sanction from FRC.			
12	**Principle 10: Selects and develops**	**<u>Inappropriate recognition of expenses</u>**:	We recommend that management should:	Significant Deficiency	Quarter 1, 2026	Corrections of misclassification of expenses will

	control activities that mitigate risks	We observed that the underlisted expenses was recognized in the financial statements without related property plant and equipment (PPE) existing in the books of NCTHSL. ✓ Insurance of Aircraft ✓ Vehicle running and Diesel expense ✓ Repair of office building This treatment violates the principle of **Faithful Representation** of Conceptual Framework for Financial Reporting. It also violates the Matching Concept of financial reporting. Risk associated with these treatments include: ✓ Misstated Financials and Performance Metrics ✓ Understatement of Assets (PPE) ✓ Misstated Profitability because there was no depreciation charged on these assets ✓ Legal and Regulatory Consequences ✓ Compliance and Tax Issues	✓ Strictly adherence to the Matching Principle of accounting ✓ Recognize the PPE in its books and conclude whatever documentation that is necessary with the owners of the company (Nigeria Customs Service) ✓ Make all the necessary prior year adjustment to correct the errors and set the record straight to avoid sanctions from regulators.			be done in 2025 financials statement and noted for future treatments

13	**Principle 10: Selects and develops control activities that mitigate risks**	**<u>Change in issued Share Capital:</u>** During our review of 2024 Audited Financial Statement and 9months in 2025, we observed that the issued share capital which was **N559.180.011.00** in 2024 changed to while **N517,000,000.00** in the 9 months Management account. We need to know what led to the reduction of **N42,180,011** and why.	We recommend that the management should reconcile the two figures and ascertain the correct figure in the management account that will translate to the 2025 financial statements.	Significant Deficiency	Quarter 1, 2026	This will be appropriately disclosed in the 2025 financial statement under the audit subsequently. The company secretary is handling it and will be resolved in the next AGM.
14	**Principle 10: Selects and develops control activities that mitigate risks**	**<u>Defective accounting Policy:</u>** We observed that many accounting policies in the financial statements were mere definition and they did not disclose that the entity does. See policy 1.2.4 and note 3 on page 26. For example: ✓ the accounting policy on Intangible asset did not disclose the kind of intangible asset the entity has and the amortization rate, ✓ the accounting policy of revenue recognition was just a definition as it did not show the type/form of the entity's revenue	We recommend that management should: ✓ Implement Robust Internal Controls ✓ Strictly adhere to Accounting Standards ✓ Ensure that only Material Accounting Policies should be included in the financial statements going forward.	Significant Deficiency	Quarter 1, 2026	Accounting policies are being updated and re charted and will be available in the next 3 months.

		classes and how they are been recognized. This will lead to: • Inaccurate financial reporting • Poor decision-making • Legal and regulatory penalties:				
15	**Principle 10: Selects and develops control activities that mitigate risks**	**Lack of IT Unit:** We observed that the entity does not have IT Unit. This was also confirmed during our discussion with some senior officers of the entity. Not having a structured IT unit and proper segregation of duties between IT Unit and Finance function can affect the integrity of data that formed the financial statements.	We recommend that management should: ✓ Establish Strategic IT Leadership ✓ Invest in Training and Talent ✓ Implement Robust Risk Management ✓ Establish rigorous data management policies to ensure data is accurate, complete, and timely. ✓ Ensure automated workflows to reduce human errors.	Deficiency	Quarter 3, 2026	Planned are in place for it in the third quarter due to lack of office space and staffing requirements. However, all staff are presently being upskilled to be IT –savvy on their various duties
16	**Principle 10: Selects and develops control activities that mitigate risks**	**ESG Metrics Not Linked to Financial Reporting** We reviewed the Environmental, Social, and Governance (ESG) Framework and observed that the ESG KPIs (e.g., emissions, waste management) are tracked but not explicitly tied to financial	We recommend that management should Integrate ESG performance data into financial closing checklists and require Finance to review significant ESG incidents for accounting impact.	Deficiency	Feb 2026	ESG Metrics documentation has been reviewed and linked the metrics to financial reporting.

		accruals, provisions, or impairment assessments. This may lead to understatement of environmental liabilities or contingent liabilities in financial statements.	To ensure these metrics are reliable, Management should enhance their Internal Control Over Sustainability Reporting (ICSR) and align it with ICFR.			
17	**Principle 13: The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.**	**Lack of System Access Review Schedule** While access controls are mentioned, we observed that there is no mandated periodic review of user access rights to financial systems. This could lead to risk of unauthorized access to financial systems, leading to potential manipulation or leakage of sensitive data.	We recommend that management should Implement quarterly access reviews for all financial systems, documented and approved by ICT and Internal Audit.	Deficiency	Quarter1, 2026	The document will be corrected to include bai-annual review of the user access rights.