From Landing to Take-off: We Care!

ANNUAL REPORT 2023

SWISSPORT TANZANIA PLC

swissport

LETTER OF TRANSMITTAL

To
The shareholders
Swissport Tanzania Plc.

Letter of Transmittal,

The Directors of Swissport Tanzania Plc. have the pleasure to submit to you the Annual Report of the company for the year ended 31st December 2023, in accordance with section 166 of the Companies Act, CAP 212 Act No. 12 of 2002.

The annual report contains the Chairman's Statement, CEO's Report, Report of the Directors, Auditors' Report on the Financial Statements and the Audited Financial Statements for the year ended 31st December 2023.

Dirk Goovaerts
Board Chairman
Swissport Tanzania Plc.
Date: 23 May 2024

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swissport

Certified:
ISAGO
ISO 9001: 2015 Quality Management System
ISO 14001: 2015 Environmental Management System

INTRODUCTION

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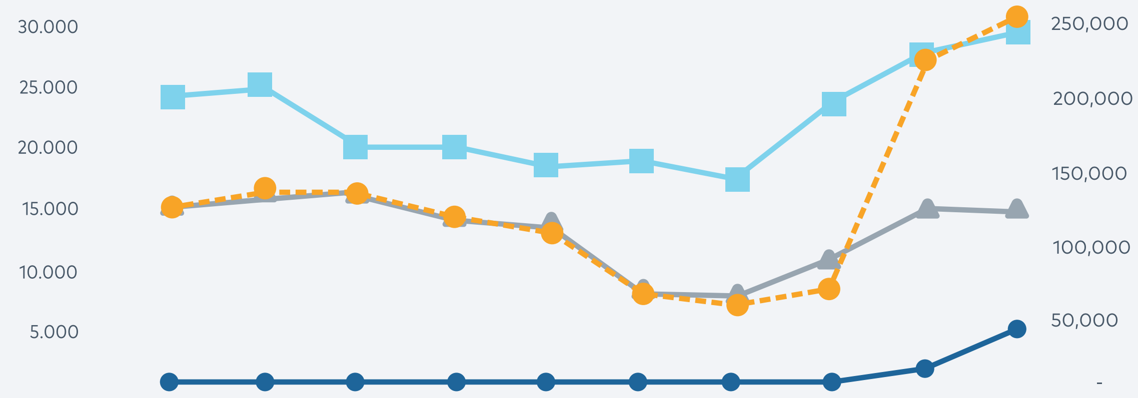
FINANCIAL SUMMARY AND PRODUCTION TRENDS

The fiscal year 2023 demonstrated significant growth and stability, reflected in our key financial metrics. Revenue increased by 7% to TShs 40,521 million, and profit before tax rose to TShs 5,458 million. These trends underscore our robust performance across production, revenue, and profitability indicators.

PRODUCTION TREND

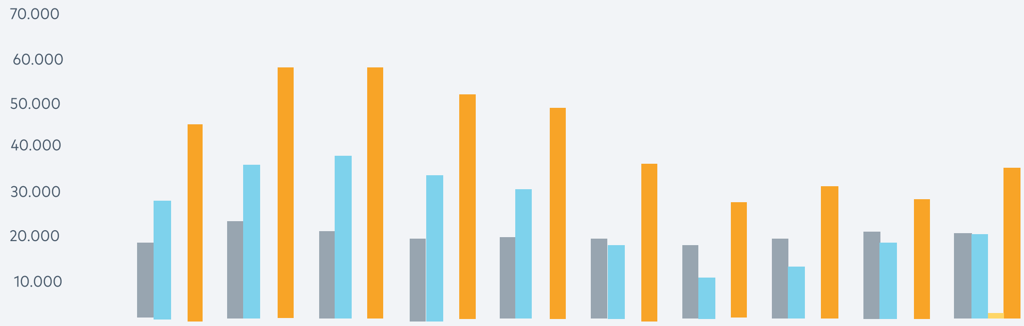


	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Gross flights	15,225	16,534	16,299	14,792	14,051	8,421	8,201	11,444	15,208	15,163
Cargo (tons)	23,908	24,874	20,145	19,676	18,551	18,779	17,354	23,448	28,055	29,265
Passengers ('0')	111,116	121,832	118,353	101,325	92,845	56,864	44,970	60,953	196,946	224,697
Lounge Visitors	-	-	-	-	-	-	-	-	12,267	34,085

GROSS VS WEIGHTED FLIGHTS

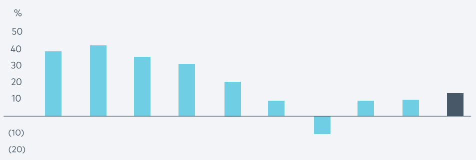
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Gross flights	15,255	16,534	16,299	14,792	14,051	8,421	8,201	11,444	15,208	15,163
Weighted Flights	19,058	21,402	20,872	16,406	14,621	9,523	7,384	9,965	13,742	14,653

REVENUE TREND



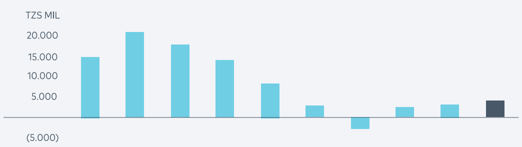
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cargo	17,318	22,195	20,277	18,436	18,690	18,495	16,973	18,247	19,946	19,586
Ground handling	27,271	35,161	37,225	32,657	29,524	16,951	9,446	11,918	17,408	19,447
Lounge business	-	-	-	-	-	-	-	-	527	1,488
Total	44,589	57,356	57,502	51,093	48,214	35,446	26,419	30,165	37,881	40,521

EBIT MARGIN TREND



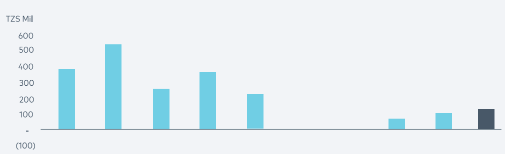
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
42	46	38	33	21	10	(12)	9	10	14

PROFIT/LOSS AFTER TAXATION



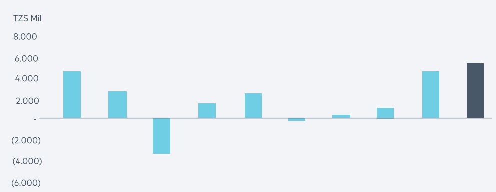
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
12,937	18,137	15,232	11,934	7,459	2,311	(2,587)	2,146	2,606	3,696

DIVIDEND PER SHARE



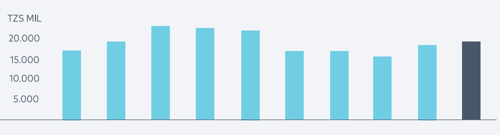
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
176	248	120	166	104	-	-	30	42	51

NET CURRENT ASSET/LIABILITY



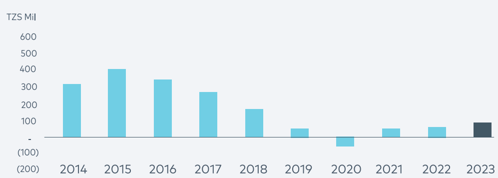
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
7,315	4,297	(5,375)	2,389	104	(296)	678	1,646	7,381	8,549

JOB CREATION



2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
712	816	965	954	917	722	715	668	770	799

EARNINGS PER SHARE



2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
395	504	423	332	207	64	(72)	60	72	103

All our actions have a clear purpose. **We make it happen. From landing to take-off.** We contribute to steady operations of our airline customers and help them deliver a positive experience to their passengers.

2023 KEY FACTS

OUR SERVICES

Swissport Tanzania Plc offers the most comprehensive range of ground services for airlines and air cargo forwarders.

AIRPORT GROUND SERVICES

Passenger Services

- Check-in and gate
- Passenger mobility
- Security services
- Lost & found
- Lounge hospitality
-

Ramp Handling

- Baggage services
- Turnaround coordination
- Moving of aircraft
- Central load control
- Aircraft cleaning

Executive Aviation Services

- Executive Terminals Access
- Customs & Immigration Assistance
- Passenger & Crew Assistance
- VIP lounges
- Crew lounges
- 24/7 Personalized Service Delivery
- Car Rental
- Hotel & Restaurant Reservations

AIR CARGO HANDLING

Services

- General and special cargo handling
- Temperature-controlled handling such as pharmaceuticals
- Hub handling
- Express services
- Forwarder handling

LOUNGE

Services

- Unlimited Complementary food and drinks & Refreshments and snacks
- Free WiFi
- Flight Information Display (FIDS)
- Rest rooms and shower facility
- Locker facilities
- Disabled toilet facility
- Baby changing facility
- Kids playing area
- Printing and work station

2023 OPERATING PERFORMANCE

Supported by the strong recovery of global aviation, Swissport can look back on a successful 2023.

15.2
GROSS FLIGHTS
(THOUSAND)

29.3
CARGO TONS
(THOUSAND)

2,245
PASSENGERS
(Thousand)

2
CARGO WAREHOUSES

>799
EMPLOYEES

>26
AIRLINE CUSTOMERS

34
LOUNGE VISITORS
(Thousand)

PROUD TO BE OUR CUSTOMERS

AB AVIATION

AIR TANZANIA

AIR ZIMBABWE

AIRLINK

CONDOR AIR

EDELWEISS AIR

EGYPT AIR

EMIRARES

ETHIOPIAN AIRLINES

DISCOVER AIRLINES

EXECUTIVE AVIATION

EWA AIR

FLY 540

KENYA AIRWAYS

KLM ROYAL DUTCH AIRLINES

LUFTHANSA CARGO

MALAWI AIRLINES

MARTINAIR

MOZAMBIQUE AIRLINES

OMAN AIR

PRECISION AIR

QATAR AIRWAYS

SAUDIA AIRLINES

TURKISH AIRLINES

UGANDA AIRLINES

Z-AIRLINES

Z AIRLINES

CLEARING AND FORWARDING AGENTS

Julius Nyerere International Airport (JNIA)

Kilimanjaro International Airport (KIA)

Cargo customers

SWISSPORT CUSTOMER TREND FROM 2019

S/ No.	Airline	Airline Codes	2019	2020	2021	2022	2023
1	Qatar Airways	QR	✓	✓	✓	✓	✓
2	Turkish Airline	TK	✓	✓	✓	✓	✓
3	Ethiopian Airlines	ET	✓	✓	✓	✓	✓
4	Fastjet	FN	✓				
5	South African Airways	SA	✓	✓	✓		
6	Rwanda Air	WB	✓				✓
7	KLM	KL	✓	✓	✓	✓	✓
8	Etihad Airways	EY	✓	↗			
9	Air Zimbabwe	UM	✓	✓	✓	✓	✓
10	Air Mauritius	MK	✓	✓	✓	✓	↗
11	Kenya Airways	KQ	✓	✓	✓	✓	✓
12	Omanair	WY	✓	✓	✓	✓	✓
13	Egyptair	MS	✓	✓	✓	✓	✓
14	Malawian Airlines	3W	✓	✓	✓	✓	✓
15	Swiss International Air Lines	LX	✓	✓	✓	↗	
16	Martinair	MP	✓	✓	✓	✓	✓
17	Air Mozambique	LAM	✓	✓	✓	✓	✓
18	Emirates	EK	✓	✓	✓	✓	✓
19	Executive Aviation	ZZ	✓	✓	✓	✓	✓
20	Ewa Air	ZD	✓	✓	✓	✓	✓
21	Air Seychelles	HM					
22	Fly Dubai	FZ					
23	Air Tanzania Limited	TC	✓	✓	✓	✓	✓
24	Condor	DE	✓	✓	✓	✓	✓
25	Fly 540	5H	✓	✓	✓	✓	✓
26	Z Airlines		✓	✓	✓	✓	✓
27	Proflight Zambia Limited	ZJ					
28	Precision Air	PW	✓	✓	✓	✓	✓
29	AB Aviation		✓	✓	✓	✓	✓
30	Air Uganda	U7	↗				
31	Uganda Airlines	UR		✓	✓	✓	✓
32	Airlink	4Z			✓	✓	✓
33	Edelweiss Air	WK				✓	✓
34	Lufthanza Cargo	LH				✓	✓
35	Eurowings Discover	4Y				✓	✓
36	Saudia Airlines	SV					✓

✓ HANDLED BY SWISSPORT TANZANIA PLC.
↗ EXIT THE MARKET

GENERAL INFORMATION

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS
1st Floor – Swissport Freight Terminal
Julius Nyerere International Airport
P. O. Box 18043
Dar es Salaam

COMPANY SECRETARY
KW KAPINGA & PARTNERS
Kamanga Wilbert Kapinga
Plot 1, Jitegemee Road
Msasani
P. O. Box 75886
Dar es Salaam

EXTERNAL AUDITOR
KPMG
The Luminary
Plot No.574, Haile Selassie Road
Msasani Peninsula Area
P. O. Box 1160
Dar es Salaam

TIN 101-269-027
VAT REG No. 10-007190R
NBAA Reg. No. PF 020

INTERNAL AUDITORS
Deloitte Consulting Limited
3rd Floor, Aris House, Plot 152,
Haile Selassie Road, Oyster Bay
P. O. Box 1559
Dar es Salaam

TAX ADVISORS
PricewaterhouseCoopers
Pemba House
369 Toure Drive, Oyster Bay
P. O. Box 45
Dar es Salaam

LAWYERS
KW KAPINGA & PARTNERS
Kamanga Wilbert Kapinga
Plot 1, Jitegemee Road
Msasani
P. O. Box 75886
Dar es Salaam

PETMOS ATTONERY
Ground Floor, Amverton Tower,
Chole Road, Masaki
P.O Box 11239
Dar es Salaam

MAIN BANKERS
NMB Bank Plc.
Airport Branch
P. O. Box 40951
Dar es Salaam

CRDB Bank Plc
P. O. Box 96
Hai – Moshi

NCBA Bank Tanzania Limited
P. O. Box 20268
Ohio Street, Amani Place
Dar es Salaam

INSURERS
Phoenix of Tanzania Assurance Co. Limited
8th Floor, IPS Building
Samora Avenue
P. O. Box 5961
Dar es Salaam

Alliance Life Assurance Ltd
5th Floor, Exim Tower
Ghana Avenue
P. O. Box 11522
Dar es Salaam

Heritage Insurance Co. Tanzania Ltd
Oyster bay Office Complex, 368
Msasani Road – Oyster Bay
P. O. Box 7390
Dar es Salaam

Strategies Insurance Tanzania Limited
Plot 1520, 1st Floor, Masaki Ikon Building
P. O. Box 7893
Dar es Salaam

ABOUT US

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THE CHAIRMAN'S STATEMENT

Dear esteemed shareholders,
In the year 2023 we recorded strong financial performance in line with full recovery and stability of the aviation sector following the impact of COVID-19 pandemic. Our customers performed consistently better, and thus, the Company handled more flight frequencies and cargo volumes to exceed pre-COVID-19 volumes.

Operationally, we continued performing to the expectations of customers through understanding of customers' requirements and implementation of the CORE Transformation Program, which is intended to improve operational efficiency, customer satisfaction, and commercial performance. Our responses to customers' needs were key for the retention of customers and winning new business. We won Saudi Arabian Airline business during the year.

Collaborating with customers on operational and commercial matters was a pillar of success and through feedback on operational gaps received from them on Net Promoter Score (NPS) and other operational engagements we were able to implement appropriate action plans to address the gaps which led to enhanced operational performance and customer loyalty.

The group continued using Station Management Manual (SMM) scorecard to measure operational performance of all stations around the world which also includes DAR and JRO stations. In 2023, our stations in Tanzania performed well with an average score of GOLD. This initiative promotes operational, safety and financial performance of the Company. Global Weekly Operational Review Meetings (WOR) provided global platform to challenge stations' performance and played important role in enhancing operational, efficiency and safety performance.

In our bid to improve profitability, we reviewed prices and enhanced billing process to ensure we bill customers for all services provided. This was strategically implemented under the oversight of the global management as part of the Commercial Weekly Review meetings (WIN ROOM).

Despite increased volumes of operation, we continued delivering safe operation by upholding safety standards. Safety performance during the year was exemplary as we reported high number of safe and unsafe behaviours, spotted several aircraft damages during aircraft pre-engagement check and NIL aircraft damage and lost time injury.

To better serve customers in line with their service expectations and meet local and international industry safety and security standards we invested TShs 5.9 billion on ground support equipment, cargo handling equipment, expansion of import cold room, introduction of pharma handling centre, introduction of integrated weighing scales, obtaining industry cargo handling certification (CEIV Fresh Certification) and training of employees.

As export of perishable cargo out of Tanzania increases, we saw the need of strengthening service levels and compliance with IATA fresh handling requirements. Consequently, we applied, audited, passed, and awarded IATA CEIV Fresh handling certification. This certification attests to Swissport Tanzania's ability to handle perishable products in respect of facilities, processes, and competency.

In our endeavour to grow cargo business at JRO and enhancing quality of services offered to cargo customers, we participated in the tender and were awarded by KADCO a contract to refurbish cold storage facility at Kilimanjaro International Airport. We are due to commence the implementation of the project which is expected to be completed by end of year 2024. This project will cost EUR 1.2 million equivalent to TShs 3.4 billion.

To comply with the EU and UK air cargo security requirements, we re-validated Regulated Agent Third Country (RA3) certification issued by the European Union and UK Aviation Security Validated Agents. Possession of RA3 certifications for DAR and JRO stations ensures compliance with EU's and UK stringent security standards for air cargo and helps in maintaining the security and integrity of the supply chain. Ultimately, this supports the export of Tanzanian produces to EU and UK.

We played an important role during the execution of the USAP-CMA ICAO Aviation Security Audit for the United Republic of Tanzania by ICAO that took place from 15th May 2023 to 26th May 2023 under the leadership of the Tanzania Civil Aviation Authority (TCAA). The country achieved a positive score of 86%, indicating a successful outcome and compliance with the international aviation security standards set by ICAO. Swissport participation and contribution during the USAP-CMA ICAO Aviation Security Audit were applauded by TCAA, TAA, and the Ministry of Transport.

We continued investing in ESG (Environment, Social and Governance) initiatives as this endeavour not only benefit the environment and society but also contributes to the financial success of the company by reducing operating costs, increasing customer loyalty and attract new customers who prioritize sustainable business practises.

There are tangible industry and market prospects including but

"Strong financial performance in 2023 reflected our recovery and stability post-COVID-19."

not limited to customer retention, growth of the aviation industry, Air Tanzania (The National Carrier) expansion plans, Government initiatives to bolster tourism sector and export of perishable products, Government investment in airports, increase production of perishable products and expected growth of flight frequencies by customers guaranteeing business growth and sustainability of the aviation sector. In response to these prospects, we have instituted plans to capitalise on the expected growth by investing in people, training, safety & security, equipment, facilities, and technology.

We are enjoying great professional support from esteemed customers, the Government of the United Republic of Tanzania, Tanzania Civil Aviation Authority (TCAA), Tanzania Airports Authority (TAA), Tanzania Revenue Authority (TRA) and all other key stakeholders without forgetting all the shareholders and the Company's number one asset – "the employees". I therefore like to express my sincere appreciation and the Board's appreciation to all for supporting Swissport Tanzania Plc to achieve its corporate objectives.

We were pleased to be recognised by TCAA and TRA for the Company's contribution to the development of the aviation industry and as the Best Cargo Handling Company in Tanzania respectively. We are also grateful for TCAA's decision to renew our ground handling license for another period of 5-year to 23rd November 2028.

I look forward to meeting and engaging with our shareholders during the coming Annual General Meeting (AGM). Karibuni kwenye mkutano wa wanahisa wa kampuni ya Swissport Tanzania Plc.

Asante Sana!

Dirk Goovaerts
Board Chairman
Swissport Tanzania Plc.

TAARIFA YA MWENYEKITI

Ndugu Wanahisa,
Mwaka 2023, tuliweza kuwa na utendaji imara wa kifedha, ulioendana sambamba na kurejea kwa biashara katika sekta ya anga kufuatia madhara ya janga la UVIKO- 19. Wateja wetu waliendelea kufanya vizuri zaidi, na hivyo kupelekea kampuni kuhudumia miruko mingi ya ndege na idadi kubwa ya mizigo kuliko ilivyokuwa kabla ya UVIKO-19.

Kiutendaji tuliendelea kufanya kazi kwa kukidhi matarajio ya wateja wetu, kupitia uelewa wa mahitaji ya wateja wetu na utekelezaji wa programu ya Mabadiliko wa CORE ambayo inalenga kukuza ufanisi wa utendaji kazi; uridhishwaji wa wateja na ufanisi wa biashara. Mwitikio wetu kwa mahitaji ya mteja ulikuwa ni muhimu kwa ajili ya kutunza wateja na kupata biashara mpya. Mwaka huu tuliweza kupata biashara ya shirika la ndege ya Saudi Arabian Airline.

Kushirikiana na wateja wetu kwenye masuala ya kiutendaji na biashara ilikuwa ni nguzo ya mafanikio, na kwa kupitia mrejesho wa wateja wetu juu ya mapungufu ya kiutendaji tuliyopokea kupitia mfumo wa utoaji maoni wa wateja wa Net Promoter Score (NPS), na namna nyingine za ushirikishwaji wakati wa utoaji huduma tuliweza kutekeleza mipango sahihi ya kukabiliana na mapungufu hayo. Jambo ambalo lilipelekea kukuza ufanisi katika utendaji na imani ya wateja wetu kwetu.

Kampuni imeendelea kutumia Mwongozo wa Usimamizi wa Kituo (Station Management Manual - SMM) kupima utendaji wa vituo vyote duniani ikiwemo vituo vya Dar es Salaam na Kilimanjaro. Katika mwaka 2023, vituo vyetu nchini Tanzania vilikuwa na utendaji kazi bora kwa wastani wa viwango vya dhahabu. Mkakati huu unakuza utendaji kazi, usalama katika huduma zetu na biashara. Kikao cha Mapitio ya kiutendaji wa kila Juma duniani – Global Weekly Operational Review Meetings (WOR) ulitoa fursa za kuchangamotisha utendaji kazi wa vituo na ulikuwa na mchango mkubwa katika kuboresha utendaji, ufanisi, na utendaji salama.

Katika jitihada zetu za kuongeza faida, tulifanya mapitio ya bei zetu na kuboresha mchakato wa kuwasilisha ankara kwa mteja ili kuhakikisha kuwa tunamtoza mteja kwa huduma zote ambazo amepatiwa. Hili lilitekelezwa chini ya uangalizi wa menejimenti ya kampuni mama kama sehemu ya vikao vya kupitia utendaji wa kibiashara kila juma - Commercial Weekly Review meetings (WIN ROOM).

Pamoja na kutanuka kwa shughuli za utendaji, tumeendelea kuwa na utendaji salama kwa kusimamia viwango vya usalama. Utendaji wa kiusalama kwa kipindi cha mwaka huu umekuwa wa mfano kwani tuliripoti idadi kubwa ya mienendo salama na isiyo salama, tuligundua hitilafu kadhaa kwenye ndege wakati wa ukaguzi wa awali na hakukuwa na taarifa za kuharibika kwa ndege wala matukio ya mfanyakazi aliyepata majeraha makubwa akiwa kazini na kutokuweza kuja kazini kutokana na majeraha hayo. Tuliwekeza Bilioni 5.9 kwenye vifaa vya kuhudumia ndege, vifaa vya kuhudumia mizigo, kupanua bohari ya baridi, uanzishaji wa bohari za kuhifadhia madawa, kuanza kutumia mizani ya kisasa, kupata cheti cha ithibati ya kuhudumia mizigo inayoharibika haraka cha CEIV (CEIV Fresh Certification) na mafunzo kwa wafanyakazi ili kutoa huduma nzuri kwa wateja wetu na kukidhi matarajio yao na pia kukidhi viwango vya kitaifa na kimataifa vya usalama.

Kwa kuwa usafirishaji wa bidhaa zinazoharibika haraka nje ya Tanzania unaongezeka, tuliona haja ya kuimarisha viwango vya huduma zetu na kufuata vigezo vya IATA vya kushughulika na bidhaa hizo. Matokeo yake, tulituma maombi, tulikaguliwa, tukafanikiwa na hatimae kutunukiwa cheti cha uwezo wa kuhudumia bidhaa zinazoharibika haraka 'freshi' cha IATA CEIV Fresh Certification. Cheti hiki ni kielelezo tosha cha uwezo wa Swissport Tanzania wa kuhudumia bidhaa zinazoharibika haraka kwa kuwa na vifaa sahihi, utaratibu sahihi na wafanyakazi wenye taaluma sahihi.

Katika kuhakikisha tunakuza biashara ya mizigo katika uwanja wa ndege wa kimataifa wa Kilimanjaro na kuongeza ubora wa huduma zetu kwa wateja wa mizigo, tulishiriki katika zabuni iliyotangazwa na KADCO na kupata mkataba wa kurekebisha bohari la baridi katika uwanja wa ndege wa kimataifa wa Kilimanjaro. Tunatarajia kuanza utelekelezaji wa mradhi huu ambao unatarajiwa kumalizika ifikapo mwisho wa mwaka 2024. Mradi huu utagharimu Euro Milioni 1.2 sawa na Shilingi za Kitanzania Bilioni 3.4.

Katika kutii vigezo vya ulinzi vya mizigo vya Umoja wa Ulaya na Uingereza, tulipata tena ithibati kutoka Regulated Agent from Third Country (RA3) inayotolewa na mawakala wa ulinzi na usalama wa sekta ya anga wa Umoja wa Ulaya na Uingereza. Umiliki wa vyeti vya RA3 kwa vituo vya DAR na Kilimanjaro vinahakikisha ufuataji wa vigezo vya ulinzi na usalama vya EU na UK kwa mizigo inayosafirishwa kwenda nchi za umoja wa Ulaya na Uingereza. Hii inachochea usafirishaji wa bidhaa za Tanzania kwenda nchi za Umoja wa Ulaya na Uingereza.

Tulikuwa kiungo muhimu wakati wa ukaguzi wa Usalama wa anga uliofanywa na USAP-CMA ICAO kwa nchi ya Tanzania uliofanyika kutoka 15 Mei 2023 mpaka 26 Mei 2023 chini ya uongozi wa Mamlaka ya Anga

"Utendaji mzuri wa kifedha mwaka 2023 ulionyesha urejeo na uthabiti wetu baada ya COVID-19"

Tanzania (TCAA). Nchi ilipata ufaulu mzuri wa asilimia 86, ikionesha matokeo mazuri na uzingatiaji wa viwango vya usalama vya Kimataifa vilivyowekwa na ICAO. Ushiriki wa Swissport na mchango wake kipindi cha ukaguzi wa ulinzi wa anga wa USAP-CMA ICAO Aviation ulisifiwa na TCAA, TAA na Wizara ya Usafirishaji na Uchukuzi.

Tumeendelea kuwekeza katika mkakati wa Utawala bora Mazingira na Jamii - ESG kwani sera hii inanufaisha si tu Mazingira na jamii lakini pia inachangia katika mafanikio ya kifedha ya kampuni kwa kupunguza gharama za uendeshaji, kuongeza imani ya wateja na kuvutia wateja wapya ambao kipaumbele chao ni biashara endelevu.

Kuna matarajio thabiti ya kisekta na soko yanayojumuisha na yasiyoishia katika kutunza wateja, kukua kwa sekta ya anga, mikakati ya kupanuka ya Air Tanzania, juhudi za serikali kukuza sekta ya utalii na usafirishaji wa bidhaa zinazoharibika haraka nje ya nchi, uwekezaji wa serikali katika viwanja vya ndege, ongezeko la uzalishaji wa bidhaa zinazoharibika haraka na matarajio katika ongezeko la miruko ya ndege kutoka kwa wateja. Haya yote yanahakikisha ukuaji wa biashara katika sekta ya anga. Hivyo basi, tumeanzisha mipango ya kuhakikisha tunanufaika na ukuaji huu kwa kuwekeza kwenye watu, mafunzo, usalama na ulinzi, vitendea kazi, vifaa, na teknolojia.

Tunapendezwa na uungwaji mkono tunaoupata toka kwa wateja wetu, Serikali ya Jamhuri ya Muungano ya Tanzania, Mamlaka ya Anga Tanzania (TCAA) na Mamlaka ya Viwaja vya ndege Tanzania (TAA), Mamlaka ya Mapato Tanzania (TRA) na wadau wengine muhimu bila kuwasahau wanahisa wote na rasilimali watu ya kampuni yetu - "Wafanyakazi". Hivyo ningependa kutoa shukrani zangu binafsi za dhati pamoja na shukrani za Bodi kwa wote wanaoiunga mkono Swissport Tanzania Plc kufikia malengo yake kama kampuni.

Tulifurahi sana kutambuliwa na TCAA na TRA kwa mchango wetu kama kampuni katika maendeleo ya sekta ya anga na kama kampuni Bora inayoshughulika na mizigo nchini Tanzania. Tunashukuru sana maamuzi ya TCAA ya kuhuisha leseni yetu ya kutoa huduma za aridhini kwa miaka mingine 5 hadi kufikia tarehe 23 Novemba 2028.

Ninategemea kukutana na kufanya mazungumzo na Wanahisa wote wa kampuni wakati wa mkutano mkuu wa Mwaka. Karibuni kwenye mkutano wa wanahisa wa kampuni ya Swissport Tanzania Plc.

Asante Sana!

Dirk Goovaerts
Mwenyekiti wa Bodi
Swissport Tanzania Plc.

CEO'S STATEMENT

The operational and financial performance of the Company continued to grow year-on-year to achieve performance stability. As a result, the Company's revenue upswing by 7% to TShs 40,521 million from TShs 37,881 reported in 2022 and total operating costs surged by 4% to TShs 35,079 million from TShs 33,817 million incurred in 2022. In turn, the Company reports a profit before tax of TShs 5,458 million compared to TShs 3,962 million in 2022, representing an increase of 27%.

The reported improved financial performance was ascribed to the retention of customers, price reviews, improved and stable airlines operations, Air Tanzania growth, increase in passenger numbers, soaring number of passengers accessed the lounge, increase in cargo export volumes as well as improved business environment and the growth of tourism and aviation industries.

The Twiga Lounge by Aspire at Kilimanjaro International Airport (KIA) influenced Company's top line growth. During the year, the lounge revenue hiked to TShs 1,488 million from TShs 527 million in 2022. Recording an impressive annual growth of 65%. We are operating the lounge in collaboration with Air Tanzania.

The rise in operating costs was in line with the revenue growth and the increase in the general price levels and labour related costs. Several cost cutting measures were implemented to reduce the impact of cost escalation to enhance profitability.

Services to customers were delivered in accordance with the service expectations outlined and documented in the Service Level Agreements (SLAs). Instances of non-compliance with the SLAs were discussed with the airlines, and corrective measures were implemented to address reported anomalies. The process improved the quality of services offered and enhanced relationship with customers.

Monthly operation review meetings, daily operation engagements and weekly Net Promoter Score (NPS) – the Customer Voice, remained important feedback tools utilised by customers to communicate and share performance feedback with management. We extend our gratitude to all our customers for actively participating in operational review meetings as well as in the weekly NPS surveys and for openly sharing both operational disappointments and achievements. NPS outcome was strong with an annual average response rate and scores of 92.2% and 44 respectively, indicating acceptance of NPS by customers and depicting highly engaging environment between Swissport Tanzania and its customers geared towards improving quality of services.

Internally, DAR and JRO stations operational and commercial performance were measured and challenged through the Station Management Manual (SMM), Weekly Operational Review Meetings (WOR meetings) and monthly WIN-ROOM meetings. These meetings are managed at the Group level and through feedback received from these meetings we enhanced operational performance, developed commercially working strategies and customer profitability.

We recorded no major safety and security breach incidents, NIL aircraft damage and lost time injuries. This signifies a strong safety culture and safety and security performance. The implementation of the Integrated Weighing Scale System (IWS) mitigates a long-standing safety concern of wrong data capturing in our cargo system and subsequently in the preparation of the load sheet. With IWS, cargo figures are electronically transferred from weighing scales to the cargo system and ultimately to the load sheet system, avoiding manual intervention. We substantially met airlines safety and security requirements and complied with the operational, safety, and security requirements issued by the Tanzania Civil Aviation Authority (TCAA) and Tanzania Airports Authority (TAA).

During the year, the United Republic of Tanzania underwent the USAP-CMA ICAO Aviation Security Audit conducted by ICAO. Swissport Tanzania participated in the audit under the guidance of the TCAA and the country scored 86% portraying compliance with the international aviation security requirements set by the International Civil Aviation Organization (ICAO). We were re-validated on Regulated Agent Third Country (RA3) validation by the European Union and UK issue with UAI number TZ/RA3/00003-01 for JNIA and UAI number TZ/RA3/00003-02 for JRO. This ensures compliance with EU's and UK stringent security standards for air cargo and helps in maintaining the security and integrity of the supply chain. Ultimately, this supports the export of Tanzanian products to EU and UK.

Our relentless efforts to enhance service quality and ensure compliance with safety and security standards to meet the expectations of both customers and industry regulators were fruitful. This was evidenced by the successful retention of key customers and the acquisition of new business in a competitive environment. We secured Saudi Arabian Airlines as a new customer during the year.

"2023 brought both growth and stability, driving our business to greater heights."

We sincerely thank all our customers; Air Tanzania, Emirates, Qatar Airways, Kenya Airways, Turkish Airlines, Oman Air, Air Zimbabwe, Airlink, Ethiopian Airlines, KLM, Martin Air Cargo, CONDOR, AB Aviation, Malawian Airlines, EWA Air, Mozambique Airlines, Egypt Air, Eurowings Discover, Edelweiss Air AG, Uganda Airlines, Saudi Arabian Airlines and all cargo forwarders, agents, and export companies, for their patronage. We are determined to continue delivering satisfying services to you all.

Our people and training

We operated with 887 highly motivated employees who consistently performed well by following the laid down operating standards which guaranteed meeting safety, security and prescribed operating requirements and delivery of top-notch services to customers. During the year, we continued implementing staff well-being programs. Through the programs, staff health statuses were checked, and they were provided with better working tools, office transport, protective gear, improved offices, and flexible roasters.

Employee remunerations are reviewed annually in line with the financial performance of the Company and in consideration of the prevailing business environment.

Through the Workers Union and Master Workers Council, employees were briefed on the safety, security, operational, and financial performance of the Company, and were given the opportunity to share their perspectives on sustaining and/or improving the performance.

During the year, Swissport International Ltd. (SPI) introduced new core values aimed at articulating our commitment to our staff and guiding our actions in service delivery. Our new values, namely **'Show you care', 'Do the right things'**, and **'Win as a Team',** serve as guiding principles. In our pursuit of excellent service delivery, we are dedicated to attracting, engaging, and retaining the right workforce. Additionally, 6 red rules were introduced as an extension of our new core values. These rules represent the minimum standards to demonstrate care to our people and customers. The Red Rules include paying fair wages, allowing our team to plan their lives, creating a safe space for recharging, instilling pride among our team, ensuring competence and confidence, and sharing the workload. Together with the new core values, these rules serve as benchmarks for our performance.

Our Training Centre continued to play a pivotal role in ensuring operational staff are well-trained and certified in their respective areas of operations. Technical certification of employees was successful through collaboration with airline customers and industry regulators. Our operational policies strictly prohibit untrained staff from participating in operations. Furthermore, we collaborated with customers to ensure staff receives appropriate airline product trainings to enhance ability to better serve the traveling community as per airline product specifications.

Training records are maintained in the INTELEX system, which efficiently flags any non-compliances with business-critical and functional training requirements.

All these initiatives are undertaken to ensure that Swissport provides a better working environment for its most valuable asset – 'the people'.

Investments
We consistently used Ground Support Equipment (GSE) management KPIs to ensure GSE are well maintained and available to support operations. This has tremendously bettered the operational availability of GSE despite experienced challenges such as unexpected breakdowns, high maintenance costs, and long lead times for spares imported from overseas.
In a bid to providing safety and high-quality services that meets customers' needs, we invested in ground support equipment, cold rooms, forklifts, technology, integrated weighing scales and obtaining industry cargo handling certification (CEIV Fresh Certification). In 2023, we spent TShs 6,059 million on various investments (2022 – TShs 2,291 million). We are planning to spend TShs 7,312 million in 2024 of which EUR 1.2 million (TShs 3,400 million) will be spent on the refurbishment and upgrading of the Cold Storage Facility at KIA and others on the purchase of GSE.

During the year, we obtained CEIV Fresh cargo handling certification from the International Air Transport Association (IATA), marking a significant milestone for our air cargo handling operations at Julius Nyerere International Airport. We are the sole air cargo handler in Tanzania to obtain CEIV Fresh certification at Julius Nyerere International Airport, affirming our dedication to better handle perishable products in our facilities.

Sustainability
The Environmental, Social and Governance (ESG) remained a top agenda at the Group (SPI) and several measures are taken at the group level to ensure compliance with ESG global agenda. In line with SPI's plans, Swissport Tanzania has aligned its investment strategy to ensure that all future investments are environmentally friendly, with procured ground support equipment (GSE) being electric powered to reduce CO2 emissions. Presently, 18.1% of the Company's GSE are electric-powered (2022 – 17%). The Company remains committed to complying with local laws and regulations concerning ESG.

Safety
Safety remained our top priority. We are upholding and strengthening our safety culture to make Swissport safer and a better place to work. Our targets are to reduce work related injuries, aircraft damages and improve safety culture. Several safety improvement programs such as Safety Campaigns, Safety Action Group meetings, Near Miss Reporting, Safe Observation, Leaders' Wednesday, and Safety days were key to our safety performance.

To further strengthening safety culture, the six commitments on safety were unveiled in 2023 by the Group to serve as the foundation of safety culture. In these commitments which range from wearing Personal Protective Equipment (PPE) to prioritizing safe operations over on-time performance where each colleague plays a crucial role in upholding our safety culture. As an extension of our dedication to a safety-first mindset, we have introduced "Safety Moments" in both internal and external meetings. These moments, intricately linked with our Six Commitments on Safety, underscores our collective commitment to enhancing safety at Swissport.

Safety performance during the year was excellent, no aircraft damage and/or lost time injuries were recorded, and a high number of safe and unsafe incidents were reported. This signifies strong safety culture and solid safety performance.
Our safety reporting tool (SMT) maintains records of all safety incidents reported by the employees. The tool facilitates risk identification and analysis to establish key operational risks affecting the business to grant management the opportunity to mitigate those risks. We do comply with occupational health and safety requirements as per the legal requirements. We followed guidance issued by the Ministry of Health and industry regulator (TCAA) and other Government agencies in combating risks associated with pandemics and epidemics.

Our focus on product differentiation via premium customer service and safety, remains firmly in place.

Accolades

During the year, we were honoured to receive yet another Financial Reporting Award from the National Board of Accountants and Auditors (NBAA). This prestigious accolade recognized our achievement as the second-place winner for the "Best Presented Financial Statements" in the category of service trading entities for the year 2022. This recognition underscores our commitment to excellence in financial reporting among companies in Tanzania. Remarkably, we won this award for the 11th year in a row.

We were also recognised by TCAA and TRA for the Company's contribution to the development of the aviation industry and as the Best Cargo Handling Company in Tanzania respectively.

Outlook

The business has achieved stability level, it is therefore our plan to sustain and grow the business through retention of customers, acquiring new businesses, expanding to the economically viable regional airports, introduction of new product lines, adopt to the appropriate pricing and promotion of Twiga Lounge by Aspire. We also envisaged Air Tanzania growth plans, airline operation stability, Government investments in Tanzania and its initiatives to promote exports, improved business environment and booming export business to steer the growth of both ground handling and cargo business lines.

To drive the bottom line of the Company, we will continue to focus on enhancing operational efficiency, safety performance and cost control. Our 2024 targets were prepared with reference to the aforestated facts while cautiously monitoring the impact of global business trends, geopolitics, inflation, and the fluctuation of fuel prices.
The full liberalisation of the ground handling market has heightened competition albeit small size of the market and low growth potential. This is also causing massive price pressure on ground handling segment. We recognise these facts, and we are taking appropriate steps to retain and win new profitable businesses. The Company is also investing in processes, GSE, warehouse infrastructure including cold rooms, people, technology, and training to achieve product differentiation from its competitors in its quest to retain and attract new business.

An investment of TShs 7,312 million will be made in 2024, with a significant portion directed to the refurbishment and upgrading of the Cold Storage Facility (CSF) at KIA and purchase of GSE. This measure will enhance quality of services and generate additional capacity to handle perishable products and pharmaceuticals.

Furthermore, our commitment to enhancing safety, security, and operational performance, as well as demonstrating customer satisfaction through Net Promoter Score (NPS) and monthly operational review meetings, will serve as the foundation for achieving our 2024 targets.

Acknowledgement

I extend my sincere appreciation to the Airlines for choosing Swissport as their preferred handler and acknowledge their invaluable support, Swissport International Ltd., the Board of Directors, the Ministry of Works and Transport, the Tanzania Civil Aviation Authority (TCAA), the Tanzania Airports Authority (TAA), the Kilimanjaro Development Corporation (KADCO), and all other stakeholders. Your support enables us to deliver exceptional services, meet operational, safety, and security standards, and effectively manage the business.

Additionally, I would like to express my gratitude to all my colleagues for their unwavering support, hard work, and dedication to ensuring the success of the business. Together, we achieve remarkable results, and I am grateful for our collective efforts. Let's continue embracing our Core Values – **Show you care, Do the right things** and **Win as a team.**

I am counting on your continued support as we strive for excellence and success in the future.

Thank you.

Mrisho Yassin
Chief Executive Officer

TAARIFA YA AFISA MTENDAJI MKUU

Utendaji wa shughuli za kampuni na mafanikio ya kifedha umekuwa ukiongezeka mwaka hadi mwaka na kufikia kiwango madhubuti. Mapato ya kampuni yameongezeka kwa asilima 7 kutoka Shilingi Milioni 35,079 hadi kufikia Shilingi Milioni 40,521 katika mwaka 2022 huku gharama za uendeshaji zikipanda kwa kasi ya 4% kutoka Shilingi Milioni 33,817 hadi kufikia Shilingi Milioni 35,079 zilizotumika kwa mwaka 2022. Hii imewezesha kampuni kuripoti faida ya Shilingi Milioni 5,458 kabla ya kodi ukilinganisha na faida ya Shilingi Milioni 3,962 iliyopatikana mwaka 2022 ikiwa ni sawa na ongezeko la 27%.

Mafanikio haya ya kifedha yalisababishwa na kutunza wateja wetu, kufanya marejeo ya bei zetu, maboresho ya shughuli za ndege , ukuaji wa Shirika la ndege la Tanzania (Air Tanzania), ongezeko ya idadi ya abiria na idadi ya watu wanaohudumiwa na chumba cha kupumzikia abiria (lounge), ongezeko la idadi ya mizigo iliyosafirishwa pamoja na maboresho ya mazingira biashara na ukuaji wa sekta ya utalii na anga.

Chumba cha kupumzikia abiria cha Twiga – Twiga Lounge by Aspire katika uwanja wa ndege wa Kilimanjaro (KIA) kimechangia kwa kiasi kikubwa ukuaji wa mapato ya Kampuni. Katika mwaka wa 2023, mapato yaliyotokana na chumba cha kupumzikia abiria yalipanda hadi kufikia Shilingi Milioni 1,488 kutoka Shilingi Milioni 527 ikiwa ni rekodi ya ongezeko la mwaka la 65%. Uendeshaji wa Chumba hiki unafanywa kwa ubia na shirika letu la ndege la Air Tanzania.

Gharama za uendeshaji zilipanda sambamba na ongezeko la mapato na ongezeko la bei za bidhaa na gharama za wafanyakazi. Mikakati kadhaa ya kupunguza gharama za uendeshaji ilitekelezwa ili kupunguza madhara yanayotokana na kuongezeka kwa gharama na kuwezesha kampuni kutengeneza faida.

Huduma kwa wateja zilitolewa kulingana na matarajio yaliyoainishwa katika Makubaliano ya Viwango vya Ubora (SLA). Matukio ya ukiukwaji wa makubaliano hayo yalijadiliwa kwa pamoja na mashirika ya ndege, na hatua za kurekebisha zilichukuliwa ili kukabiliana na kasoro zozote zilizoripotiwa. Mchakato huu uliboresha viwango vya ubora unaotolewa na mahusiano yetu na wateja.

Vikao vya mapitio ya kila mwezi, ushirikishwaji wa kila siku katika utendaji, na mfumo wa utoaji maoni wa Wateja wa kila wiki yaani Net Promoter Score (NPS) umeendelea kuwa kiungo muhimu cha mawasiliano kwa kuipa menejimenti mrejesho juu ya utendaji wetu. Tunawashukuru wateja wetu wote kwa kushiriki kikamilifu katika vikao vyetu vya mapitio ya utendaji pamoja na kutoa maoni yao kwa kupitia NPS na kwa kuchangia kwa uwazi juu ya kasoro pamoja na mambo mazuri ya operesheni. Matokeo ya NPS yalikua mazuri yakiwa na wastani wa kiwango cha majibu cha asilimia 92 na alama 44. Matokeo haya yanaonyesha kuwa wateja wanaikubali NPS na pia inaonyesha kuwa kuna mazingira ya ushirikishwaji baina ya Swissport na wateja wake yenye lengo la kuboresha ubora wa huduma.

Utendaji wa operesheni na kibiashara wa vituo vyetu vya Kilimanjaro na Dar es Salaam ulipimwa kwa kutumia Mwongozo wa Usimamizi wa Kituo (SMM), Kikao cha Marejeo wa Uendeshaji cha Kila Juma (WOR) na Kikao cha kila Wiki cha kupitia utendaji wa kibiashara (WIN-ROOM). Vikao hivi vinasimamiwa na Kampuni mama na tuliboresha utendaji kazi na kutengeneza mikakati ya kibiashara na upatikanaji wa faida na kuhakikisha wateja wetu wananufaika kupitia mrejesho wa vikao hivi.

Hatukuwa na ajali yoyote kubwa iliyoripotiwa ikihusisha uvunjaji wa kanuni za usalama, Hakuna ndege zilizoharibika wala mfanyakazi aliepata ajali kazini na kutokuweza kuja kazini. Hili linaashiria uimara wa utamaduni wa usalama mahala pa kazi na ulinzi. Kuanza kutumika kwa mfumo wa Mizani ya kisasa (IWS) kulipunguza wasi wasi wa kiusalama wa muda mrefu wa uchukuaji taarifa za mizigo usio sahihi katika mfumo wetu wa mizigo na kwa kiasi kikubwa katika uandaaji wa taarifa za mizigo. Kwa kutumia IWS, taarifa za uzito wa mizigo zinatumwa moja kwa moja kutoka katika mizani ya kupimia uzito kwenda kwenye mfumo wa mizigo na moja kwa moja kuelekea katika mfumo wa uorodheshaji idadi ya mizigo, hivyo kuepuka makosa mengi ya kibinadamu. Tulikidhi kwa kiwango kikubwa masharti ya usalama na ulinzi na kufuata masharti ya utendaji, usalama, ulinzi na yaliyowekwa na Mamlaka ya anga Tanzania (TCAA) na Mamlaka ya Viwanja vya ndege Tanzania (TAA).

Katika mwaka huu, nchi ya Tanzania ilifanyiwa ukaguzi wa usalama wa Anga uliofanywa na USAP-CMA ICAO. Kampuni yetu ilishiriki ukaguzi huu chini ya uangalizi wa Mamlaka ya Anga Tanzania (TCAA) na nchi ilipokea alama za asilimia 86% ikidhihirisha kukidhi viwango vya Kimataifa vya usalama wa Anga vilivyowekwa na Shirika la kimataifa la Usimamizi wa anga la ICAO. Tulipatiwa ithibati kwa mara nyingine kwa nchi za ulimwengu wa tatu (RA3) na Umoja wa Ulaya na Uingereza zenye namba TZ/RA3/00003 kwa uwanja wa ndege wa DSM (JNIA) na namba TZ/RA3/00003-02 kwa uwanja wa ndege wa Kilimanjaro (JRO). Mafanikio haya ni ushuhuda wa jitihada zetu katika kufanya kazi kwa kufuata kwa umakini masharti

"2023 ilileta ukuaji na uthabiti, ikiendesha biashara yetu kufikia mafanikio makubwa zaidi."

yaliyowekwa na Umoja wa Ulaya na Uingereza kwa viwango vya ndege za mizigo na kusaidia katika kudumisha maadili juu ya ulinzi na usalama na mnyororo wa ugavi. Hii inachochea usafirishaji wa bidhaa nje ya nchi kwenda Umoja wa Ulaya na Uingereza.

Jitihada zetu za kuboresha huduma zetu na kufuata vigezo vya usalama na ulinzi katika kukidhi mahitaji ya wateja wetu na ya sekta zilizaa matunda. Hili lilishuhudiwa na kuendelea kutunza wateja wetu wakubwa na kupata biashara mpya katika mazingira ya ushindani. Katika kipindi hiki cha mwaka, tulipata mteja mpya: Kampuni ya Saudi Arabian Airlines.

Tunawashukuru kwa dhati wateja wetu wote; Air Tanzania, Emirates, Qatar Airways, Turkish Airlines, Oman Air, Air Zimbabwe, Kenya Airways, Airlink, Ethiopian Airlines, KLM, Martin Air Cargo, CONDOR, AB Aviation, Malawian Airlines, EWA Air, Mozambique Airlines, Egypt Air, Eurowings Discover, Assalam Air, Edelweiss Air AG, Uganda Airlines, Saudi Arabian Airlines na wasafirishaji mizigo wote, mawakala na kampuni za usafirishaji mizigo ndani na nje ya nchi, kwa kuiamini na kufanya biashara na Swissport. Tumedhamiria kuendelea kuwapa ninyi nyote huduma za kuridhisha.

Rasilimali watu na mafunzo

Tumeweza kutoa huduma na wafanyakazi 887 wenye ari na uwezo wa kufanya kazi vizuri ambao wamefanya kazi kwa kufuata vigezo vya kiutendaji vilivyowekwa na ambavyo vilihakikisha kukidhi masharti ya ulinzi na usalama yaliyoainishwa na kuwezesha utoaji wa huduma za viwango vya juu kwa wateja wetu. Katika kipindi cha mwaka, tumeendelea kutekeleza programu zinazohusu ustawi wa wafanyakazi wetu. Kwa kutumia programu hizi wafanyakazi waliweza kupimwa hali ya afya zao, na walipatiwa vitendea kazi bora zaidi, usafiri wa kuja kazini, vifaa vya kujikinga, ofisi zilizoboreshwa, na upangaji wa zamu uliozingatia mapendekezo yao.

Mishahara ya wafanyakazi inafanyiwa marejeo kila mwaka kwa kuzingatia mafanikio ya kifedha ya kampuni kwa mwaka husika na mazingira ya biashara yaliyopo.

Kwa kupitia vyama vya wafanyakazi na Baraza Kuu la Wafanyakazi, wafanyakazi walipewa maelekezo juu ya usalama, ulinzi, utendaji na mwenendo wa Kifedha wa kampuni na walipewa fursa ya kuchangia mitazamo yao juu ya kuendeleza na kuboresha utendaji wa kampuni.

Katika mwaka huu, Swissport International Ltd (SPI), ilitambulisha maadili ya msingi mapya ambayo yamelenga kuonesha kujitoa kwa kampuni kwa wafanyakazi wetu na kuwaongoza kwa vitendo katika utoaji wa huduma. Maadili yetu mapya ya msingi ni , **"Onesha Unajali"**, **"Fanya mambo sahihi"** na **"Ushindi wa Pamoja"**, yanatumika kama mwongozo wetu wa kazi. Katika kuhakikisha tunafikia utoaji huduma wenye ubora wa hali ya juu, tumejikita katika kuwahamasisha, kuwashirikisha na , kuwatunza wafanyakazi sahihi. Pamoja na hayo, kanuni sita nyekundu zilianzishwa kama nyongeza ya maadili yetu ya msingi. Kanuni hizi zinawakilisha vigezo vya chini kabisa katika kuonesha namna tunavyowajali watu wetu na wateja wetu. Kanuni nyekundu zinajumuisha kulipa mishahara stahiki, kuruhusu wafanyakazi wetu kuwa na muda binafsi wa maisha yao, kutengeneza mazingira salama ya kupumzikia, kuwajengea wafanyakazi wetu hali ya kuona fahari, kuhakikisha ufanisi na kujiamini, na kushirikiana katika majukumu ya kazi. Kwa pamoja, ikiwa ni pamoja na maadili mapya ya msingi, sheria hizi zinatumika kama Kipimo cha utendaji wetu.

Kituo chetu cha mafunzo kimeendelea kuwa muhimu katika kuhakikisha wafanyakazi wetu wanapewa mafunzo na kuhitimu katika maeneo yao ya utendaji. Jitihada za kuthibitisha ujuzi wa wafanyakazi zimefanikiwa kwa kushirikiana na wadhibiti wa mashirika ya ndege na sekta ya anga. Sera zetu za utendaji zinazuia vikali mfanyakazi ambaye hajapitia mafunzo kufanya kazi. Pia, tulishirikiana na wateja katika kuhakikisha wafanyakazi wamepokea mafunzo sahihi juu ya bidhaa za ndege na kuongeza uwezo wao wa kuhudumia jamii ya wasafiri kwa kuzingatia matakwa ya shirika husika.

Kumbukumbu za mafunzo zinahifadhiwa na mfumo wa INTELEX, ambao kwa ufanisi mkubwa unatujulisha kunapokuwa na hali ya kutofuata miongozo ya kibiashara na mahitaji ya kimafunzo. Hatua zote hizi zinachukuliwa ila kuhakikisha Swissport inatoa mazingira bora ya kufanyia kazi kwa rasilimali yake muhimu – 'watu wake'.

Uwekezaji
Tumeendelea kutumia viashiria kadhaa (KPIs) kwa vifaa vya kazi (GSE) ili kuhakikisha vifaa hivyo vinatunzwa vizuri na vinapatikana kusaidia utendaji. Jambo hili limeongeza ubora wa vifaa vya kazi licha ya kuwepo kwa changamoto kadhaa kama vile kuharibika kusikotarajiwa, gharama kubwa za matengenezo, na muda mrefu wa kusubiria vipuri ambavyo huagizwa kutoka nje ya nchi.

Katika kuendeleza jitihada zetu za kuzidisha usalama na ubora wa huduma zinazokidhi mahitaji ya wateja wetu, tuliwekeza katika vitendea kazi, bohari ya baridi, vifaa vya kushusha na kupakia mizigo, teknolojia, mizani ya kisasa na kupata cheti kinachoonyesha uwezo wa kampuni wa kuhudumia bidhaa zinazoharibika haraka (CEIV Fresh Certification) kutoka IATA. Tulitumia kiasi cha Shilingi Milioni 6,059 Kwa Mwaka 2023, kuwekeza katika maeneo mbalimbali (2022- Shilingi Milioni 2,291). Kwa mwaka 2024, tunapanga kutumia shilingi milioni 7,312 ambapo Shilingi Milioni 3,400 (sawa na Euro 1.2m) zitatumika kufanya maboresho na kuipandisha hadhi bohari ya baridi katika uwanja wa ndege wa Kilimanjaro (JRO) na nyingine kutumika katika ununuzi wa vitendea kazi.

Katika kipindi cha mwaka husika, tulipata cheti cha uthibitisho wa uwezo wa kampuni kuhudumia bidhaa zinazoharibika haraka "CEIV Fresh Certification" kutoka kwa Shirikisho la Kimataifa la Usafiri wa Anga (IATA), hii ikiwa ni hatua kubwa sana kwa huduma zetu za usafirishaji wa shehena kwa njia ya anga katika Uwanja wa Ndege wa Kimataifa wa Julius Nyerere. Sisi ni watoa huduma pekee tuliopata cheti cha CEIV (Fresh Certification) katika Uwanja wa ndege wa Kimataifa wa Julius Nyerere, ikidhihirisha kujitoa kwetu kwa dhati katika kuhudumia bidhaa zinazoharibika haraka katika maeneo yetu ya kazi.

Sera Endelevu
Sera ya Mazingira, Jamii na Utawala Bora (ESG) imeendelea kuwa agenda ya Kampuni (SPI) na hatua kadhaa zinachukuliwa katika ngazi ya kampuni kuhakikisha tunafuata ajenda hii ya dunia. Swissport inahakikisha mikakati yake ya uwekezaji kwa siku zijazo inafungamana na mipango ya SPI kwa kuwa na uwekezaji utakaojali mazingira, na mitambo inayotumia nishati ya umeme (GSE) ili kupunguza uzalishaji wa hewa ya ukaa (CO_2). Kwa sasa. 18.1% ya mitambo ya kampuni inatumia umeme (2022 ilikuwa 17%).

Kampuni imeendelea kuzingatia sheria na kanuni zinazohusiana na Mazingira, Jamii na Utawala Bora (ESG)

Usalama Mahala pa Kazi
Usalama umeendelea kuwa kipaumbele chetu. Tunaendeleza na kuimarisha utamaduni wetu wa usalama, na kuifanya Swissport mahali salama pa kazi. Malengo yetu ni kupunguza ajali zinazotokana na utendaji kazi, uharibifu wa ndege, na kuboresha utamaduni wetu wa usalama. Programu kadhaa za usalama zilizoboreshwa kama vile Kampeni za Usalama, Utoaji wa taarifa wa ajali zilizonusurika kutokea, vikao vya kimkakati juu ya usalama, Jumatano ya matembezi ya usalama kwa viongozi – Leader's Wednesday na maadhimisho ya siku ya usalama - Safety Day zimekuwa ni mwongozo katika utendaji wetu wa kiusalama.

Katika kukuza zaidi utamaduni wetu wa usalama, mwaka 2023 kampuni ilianzisha miongozo sita ya usalama ili itumike kama msingi wa utamaduni wa usalama. Katika miongozo hii ipo inayohusisha kuanzia uvaaji wa vifaa vya kujikinga (PPEs) ili kutoa kipaumbele kwenye utendaji salama badala ya kukimbilia kumaliza kazi haraka, ambapo kila mfanyakazi ana jukumu muhimu katika kuzingatia utamaduni wetu wa usalama. Kama sehemu ya kuendelea kujitoa kwetu katika kujenga mawazo ya usalama kwanza, tumeanzisha "Muda wa Usalama" katika vikao vyetu vya ndani na nje. Muda huu unaweka msisitizo kwenye juhudi zetu za pamoja za kuboresha usalama katika kampuni ya Swissport.

Tulipata mafanikio makubwa sana katika suala la usalama, kwa kipindi cha mwaka mzima hatukuwa na rekodi ya uharibifu wa ndege, au majeruhi wa kudumu iliyoripotiwa na uwepo wa idadi kubwa ya matukio salama na yasiyo salama yaliyoripotiwa. Hii inaonesha uimara wa utamaduni wa usalama na utendaji thabiti wa kiusalama. Mfumo wetu wa kutolea taarifa (SMT) unahifadhi taarifa zote za kiusalama zinazoripotiwa na wafanyakazi. Mfumo huu unawezesha kutambua na kuchambua aina ya tahadhari na mienendo yote hatarishi kwa biashara yetu na kuipa kampuni nafasi ya kuzitatua.

Tunafuata miongozo ya Afya na Usalama kwa mujibu wa matakwa ya kisheria. Tulifuata muongozo uliotolewa na Wizara ya Afya, mdhibiti wa kisekta (TCCA), pamoja na mawakala wengine wa serikali ili kukabiliana na hatari zinazohusiana na majanga pamoja na magonjwa ya mlipuko.

Msisitizo wetu katika kutofautisha huduma zetu kupitia ubora wa hali ya juu wa huduma kwa wateja pamoja na usalama unaendelea kuwa kipaumbele chetu.

TUZO

Katika mwaka husika, tulipata heshima kupokea Tuzo nyingine ya Ripoti ya Fedha kutoka kwa Bodi ya Taifa ya Wahasibu na Wakaguzi wa Hesabu (NBAA). Tuzo hii ilitambua mafanikio yetu kama mshindi wa pili wa Taarifa Bora ya Fedha Iliyowasilishwa katika kundi la mashirika yanayotoa huduma kwa mwaka wa 2022. Kutambuliwa huku kunadhihirisha dhamira yetu ya kuzingatia ubora katika utoaji wa taarifa za fedha miongoni mwa makampuni yaliyopo nchini Tanzania. Jambo la kujivunia ni kwamba, tumeshinda tuzo hii kwa mwaka wa 11 mfululizo sasa.

Pia tulitambuliwa na TCAA na TRA kwa mchango wa Kampuni kwa maendeleo ya sekta ya anga na kama Kampuni bora ya ushughulikiaji wa mizigo ya anga nchini Tanzania mtawalia.

Mtazamo wa Biashara

Biashara imeimarika vya kutosha, hivyo mpango wetu ni kukuza biashara kwa kupitia kutunza wateja, kupata wateja wapya, kutanua biashara zetu kuvifikia viwanja vya ndege vya mkoani vinavyoweza kutupa faida kiuchumi, kuanzisha huduma mpya, kupanga gharama na kukitangaza chumba cha kupumzikia abiria cha Twiga by Aspire. Tumetarajia ukuaji wa Air Tanzania, uimara wa uendeshaji wa mashirika ya ndege, uwekezaji wa serikali ya Tanzania na jitihada zake za kuhamasisha usafirishaji bidhaa nje ya nchi, mazingira mazuri ya biashara na kuchanua kwa biashara ya kusafirisha mizigo ndani na nje ya nchi.

Katika kuhakikisha Kampuni inaleta faida, tutaendelea kujikita katika kuongeza ufanisi katika utendaji wetu, kuzingatia usalama na kupunguza gharama za uendeshaji.

Malengo yetu ya mwaka 2024 yameandaliwa kwa kuzingatia mambo tajwa hapo juu pamoja na kuangalia kwa umakini mienendo ya biashara duniani, siasa za kijiografia, mfumuko wa bei na kubadilika badilika kwa bei za mafuta.

Kuondolewa kwa masharti ya kujiunga katika soko la utoaji huduma za ardhini kwa ndege kumeongeza ushindani pamoja na kwamba soko ni dogo na tarajio la ukuaji ni dogo. Jambo hili limesababisha uporomokaji wa bei za kutoa huduma za aridhini kwa ndege. Tunatambua changamoto hizi, na tunachukua hatua stahiki katika kutunza biashara na kupata biashara mpya zenye faida. Kampuni pia inawekeza katika mifumo ya utoaji huduma, vifaa vya kazi (GSE), miundombinu ya ghala ikiwemo bohari ya baridi, Rasilimali watu, teknolojia na mafunzo ili kuweza kutofautisha huduma zetu na washindani wetu.

Katika mwaka 2024, uwekezaji wa Shilingi Milioni 7,312 utafanywa, huku kiasi kikubwa kikielekezwa katika kuboresha na kupandisha hadhi bohari la baridi na vifaa vyake (CSF) iliyopo JRO na ununuzi wa vifaa vipya vya kazi(GSE). Hatua hii itaongeza ubora wa huduma zetu na kuzidisha uwezo wa kampuni katika kushughulikia bidhaa zinazoharibika haraka na dawa.

Pia, kujitoa kwetu katika kusimamia usalama mahala pa kazi, ulinzi na utendaji pamoja na kusimamia uridhikaji wa mteja kwa kutumia mfumo wa NPS, na uwepo wa vikao vya mapitio ya kila mwezi vitakuwa ndio mwongozo wetu katika kufikia malengo yetu ya mwaka 2024.

Shukrani

Ninatoa shukrani za dhati kwa mashirika ya ndege kwa kuchagua kufanya kazi na Swissport na ninatambua mchango wao wa thamani kwetu. Ninashukuru Kampuni ya Kimataifa ya Swissport, Bodi ya Wakurugenzi, Wizara ya Ujenzi na Uchukuzi, Mamlaka ya Anga Tanzania (TCAA), Mamlaka ya Viwanja vya ndege Tanzania (TAA), Kampuni ya uendeshaji na uendelezaji wa Kiwanja cha ndege cha Kimataifa cha Kilimanjaro (KADCO) na wadau wengine wote. Mchango wenu umetuwezesha kutoa huduma bora, kufikia viwango vya utendaji, usalama na ulinzi na kusimamia biashara yetu kwa ufanisi.

Pamoja na hayo, ninapenda kutoa shukrani zangu za dhati kwa wafanyakazi wenzangu wote kwa mchango wao imara, utendaji kazi mzuri na kujituma kwao katika kuhakikisha mafanikio ya biashara yetu. Kwa pamoja tunafikia mafanikio makubwa, na ninashukuru sana kwa jitihada hizi za pamoja. Tuendelee kukumbatia maadili yetu makuu – Onesha unajali, Fanya mambo sahihi na Ushindi wa Pamoja Ni matarajio yangu kuwa tutaendelea kufanya kazi pamoja ili kufikia ubora na kuendelea kupata mafanikio.

Asanteni.

Mrisho Yassin
Afisa Mtendaji Mkuu
Swissport Tanzania Plc

CURRENT DIRECTORS' PROFILE

Dirk Goovaerts
Chairman of the Board
Belgium, Age 61

Dirk Goovaerts has over 25 years of experience in the ground handling and cargo industries and is a results-oriented senior executive with a proven track record in operational excellence, digital acceleration, and turnaround management. Dirk joined Swissport International AG as Head of Middle East & Africa on September 1st 2021, reporting directly to the CEO. In addition, he serves as Global Cargo Chair, focusing on strengthening Swissport's air cargo business. Dirk joined Swissport from dnata, where he was CEO of the Asia Pacific region. Prior to that, he was the COO of Saudi Ground Services Company, Senior Vice President Europe at Menzies Aviation, and Finance Director Global Network of Outstations at Sabena.

Eric Muriithi
Non-Executive Director
MBA. Accounting and Finance
Kenyan, Age 39

Mr. Muriithi has over 12 years of experience in finance, audit, and strategic advisory roles for multinationals. Currently is a Chief Financial Officer Kenya & Head of Finance Sub-Saharan Africa and Israel of Swissport International Ltd. Before joining Swissport, he worked as an Internal Auditor and Assistant Vice President, Finance of Barclays Bank Kenya. He has external audit background, having worked with KPMG as Auditor Senior. He was appointed to the SPT Board of Directors in March 2020, representing SPI.

Dr. Charles Kimei (MP)
Independent Non-Executive Director
Doctor of Philosophy-Phd.
Money and Finance
Tanzanian, Age 70

Dr. Kimei has over 40 years of experience in the banking and financial sector. He is the former banker who was MD & CEO of CRDB Bank Plc for 21 years. Prior to joining CRDB Bank, he worked with the Bank of Tanzania as Director of Banking Supervision, Director of Economic Research, Head of Domestic Division Research Department and Manager Economic Research and Policy. He serves on various board including Trustees of Halo Pesa as the chairman and Research Policy for Development (REPOA) as a member. He joined the Board of Directors of SPT in April 2019, representing the minority shareholders. Dr.Kimei is also a member of Parliament of the United Republic of Tanzania

Raymond Mbilinyi
Independent Non-Executive Director
BSc in Engineering; MBA in Marketing
Tanzanian, Age 59

Mr. Mbilinyi is the Chairman & CEO of TanBizLink. Prior to that he held various position with the Government of the United Republic Of Tanzania. His previous roles within the Government include Executive Secretary Tanzania National Business Council, Executive Director, Director of Investment promotion, and Director of Promotion of Tanzania Investment Centre. He serves in various boards, including Equity Bank Tanzania as the chairman and Tanga Cement Plc as a member. He joined the Board of Directors of SPT in April 2016, representing minority shareholders

Mrisho Yassin
Executive Director
Bachelor of commerce in Accounting
Tanzanian, Age 48

Mr. Mrisho is the Chief Executive Officer for Swissport Tanzania Plc. Prior to being a CEO in December 2016, Mrisho was Swissport Tanzania Plc's Chief Financial Officer for 6 years.
Prior to joining Swissport, Mrisho worked for KPMG and Ernst & Young Tanzania at different periods. During this time, he served private sector clients in the manufacturing, mining, banking, insurance and service industries some of which were listed companies. He also served clients in the public sector (Government institutions, donor-funded projects and NGO's).

MANAGEMENT TEAM
FOR THE YEAR ENDED 31 DECEMBER 2023

Mrisho B. Yassin
Chief Executive Officer

Joshua Jonas
Chief Financial Officer

Wandwi Mugesi
Cargo Business Lead

Amina Bilali
Commercial Manager

Shamba Mlanga
Dar es Salaam Station Manager

Deogratius Haule
QHSE Manager

Mr. Fadhil Omary
Training Manager

Joyce Jeremiah
Kilimanjaro Station Manager

Nyakato Mwesigwa
Human Resources Manager

Godfrey Rweyemamu
Security Business Lead

ECONOMIC ACCOUNTABILITY

3

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors submit their report together with the audited financial statements for the year ended 31 December 2023, which disclose the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and notes to the financial statements of Swissport Tanzania Plc (the "Company").

1 DIRECTORS

The directors of the Company at the date of this report, who served since 1 January 2023, except where otherwise stated, are:

	Name	Nationality	Gender	Position	Age	Appointment
1	Mr. Dirk Goovaerts (1)	Belgium	Male	Chairman	61	Sept, 2021
2	Mr. Eric Muriithi (1)	Kenyan	Male	Director	39	Mar, 2020
3	Mr. Raymond P Mbilinyi (2)	Tanzanian	Male	Director	59	Apr, 2016
4	Dr. Charles S Kimei (2)	Tanzanian	Male	Director	70	Apr, 2019
5	Mr. Mrisho Yassin (1)	Tanzanian	Male	Director	48	Dec, 2021

(1) Representing Swissport International Ltd (SPI), (2) Representing minority shareholders

In accordance with the Company's Articles of Association, the Board of Directors will consist of five directors, three representing majority shareholder and two representing minority shareholders. At the Annual General Meeting, the minority shareholders shall have the right to appoint and remove two independent directors in a competitive manner. These directors are re-elected after every three years.

The Board comprises four non-executives and one executive director who is also the Chief Executive Officer of the Company. Three directors represent SPI, the CEO of the Company and two senior executives at SPI, and two directors represent minority shareholders.

Directors' interest in the shares of the Company
Directors representing minority shareholders have interest in issued and fully paid-up shares of the Company as shown below:

	Name	Shares 2023	Shares 2022
1	Mr. Raymond P Mbilinyi	140	140
2	Dr. Charles S Kimei	1,655	1,200

Directors' remuneration
As stipulated in the Company's Memorandum and Articles of Association, the directors are entitled to the directors' fees paid annually as follows:

	US$
Director	8,000

1 DIRECTORS (CONTINUED)

The directors are also entitled to a sitting allowance for every meeting of the Board, or its committees as follows:

	US$
Director	800

The Company Secretary, as of the date of this report who has served throughout the period was KW Kapinga and Partners and they are paid an annual retainer fee which is reviewed from time to time.

2 COMPANY SHAREHOLDINGS

As of 31 December 2023, the Company had 10,726 shareholders (31 December 2022: 10,759 shareholders). The Pension Funds owns 9% of the Company's shares (2022: 9%). Ten major shareholders of the Company are listed below:

	Name	Nationality	%
1	Swissport International Limited	Swiss	51
2	SCB(T) RE: SSB: Change Global Frontier Markets, LP Fund	Tanzanian	6
3	Umoja Fund Unit Trust Scheme	Tanzanian	5
4	National Social Security Fund	Tanzanian	5
5	Public Service Social Security Fund	Tanzanian	4
6	Gak Patel & Co. Ltd	Tanzanian	1
7	Sayed H. Kadri &/Or Basharat Kadri &/Or Mehboob Kadri &/Or Khalid &/Or Muzammil Kadri	Tanzanian	1
8	Kalpesh Rajesh Mehta &/or Kavita Kalpesh Mehta	Tanzanian	1
9	Mohsin Gulamabbas Fazel	Tanzanian	1
10	Allan Gray Africa Ex-Sa Equity Fund Limited	Tanzanian	1

As of 31 December 2022, the Company had 10,759 shareholders (31 December 2021 – 10,778 shareholders). The Pension Funds owned 9% of the Company's shares (2021: 9%). Ten major shareholders of the Company are listed below:

Name		Nationality	%
1	Swissport International Ltd.	Swiss	51
2	SCB(T) RE: SSB: Change Global Frontier Markets, LP Fund	Tanzanian	6
3	Umoja Unit Trust Scheme	Tanzanian	5
4	National Social Security Fund	Tanzanian	5
5	Public Service Social Security Fund	Tanzanian	4
6	Sayeed H. Kadri &/or Basharati Kadri &/or Mehboob Kadri &/or Khalid &/or Muzammil Kadri	Tanzanian	1
7	G.A.K. Patel & Co. Limited	Tanzanian	1
8	Kalpesh Rajesh Mehta &/or Kavita Kalpesh Mehta	Tanzanian	1
9	Mohsin Gulamabbas Fazel	Tanzanian	1
10	Abdul Ayoub Abdulssamad	Tanzanian	1

3 ACCOUNTING PERIOD

The Company's accounting cycle is from January to December. The financial information presented in these financial statements is for the year ended 31 December 2023, together with the comparative information for the year ended 31 December 2022.

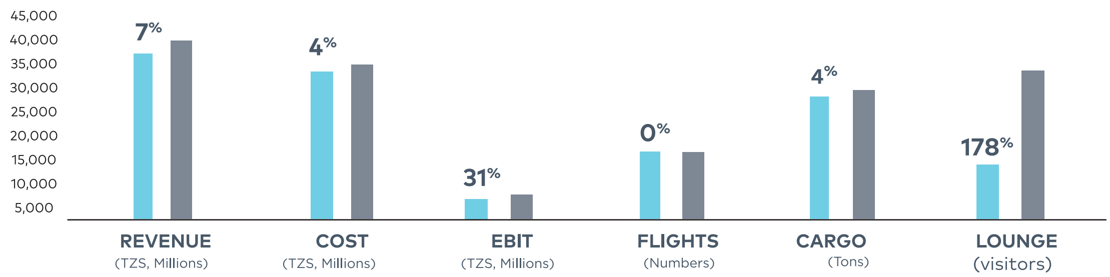
4 PRINCIPAL ACTIVITIES

The Company's principal activities are the provision of airport ground handling, cargo handling services and airport lounge services. During the year, the Company operated at Julius Nyerere International Airport (JNIA) and Kilimanjaro International Airport (KIA).

5 OPERATING AND FINANCIAL REVIEW

During the fiscal year 2023, our business experienced both growth and stability, which played a crucial role in bolstering overall operation and financial performance. Most of our clients achieved operational stability, with some even increasing their activity levels by raising flight frequency, introducing new routes, or opting for the use of larger equipment to accommodate increased demand. Notably, there was a significant increase in both the volume of cargo handled and the number of visitors served in our lounge during this period. However, operational costs increased in relation to the rise in operations, escalating fuel prices, increase in the general price levels, as well as impacts brought about by the scarcity of foreign currency during the year. Despite these notable increases in operating expenses, we implemented several cost control measures to protect the bottom line.

OPERATIONAL AND FINANCIAL OVERVIEW



	REVENUE (TZS, Millions)	COST (TZS, Millions)	EBIT (TZS, Millions)	FLIGHTS (Numbers)	CARGO (Tons)	LOUNGE (visitors)
FY 2022	37,881	33,817	4,473	15,208	28,055	12,267
FY 2023	40,521	35,079	5,855	15,163	29,265	34,085

Revenue for the year showed a notable 7% increase compared to 2022. This growth was propelled by a price review strategy in both the ground and cargo handling business lines, complemented by a 4% increase in cargo volume handled, mostly in perishable products exports such as meat, fish, avocados, and flowers. Additionally, remarkable 178% surge in lounge visitors during the period contributed to the increase in lounge revenue. The significant increase in lounge visitors is a result of increase in number of passengers at Kilimanjaro International Airport.

Ground handling services

The revenue from ground handling services experienced a significant increase of 12% compared to the prior year, rising from TShs 17,408 million to TShs 19,447 million. This surge in revenue was attributed to several factors. Firstly, most of our airline clients achieved operational stability, with some even expanding their operations by increasing flight frequencies, introducing new routes, or opting for the use of larger equipment to accommodate the growing demand. Secondly, our implementation of a price review strategy in the ground handling segment. These factors resulted in a 4.6% increase in the yield from the ground handling segment compared to 2022, despite offering trade discounts to some customers during contract renewal.

5 OPERATING AND FINANCIAL REVIEW (CONTINUED)

Ground handling revenue versus budget
Revenue from ground handling services was TShs 19,447 million, 0.01% lower than the budget of TShs 19,448 million. This was attributed to the decrease in the budgeted flight frequencies following the delay in the resumption of bigger aircraft operated by Air Tanzania, which were taken out of service due to technical reasons during the first half of the year.

Cargo handling services
The revenue generated from cargo handling services experienced a 2% decline, falling from TShs 19,946 million in 2022 to TShs 19,586 million in 2023, primarily due to decrease in storage revenue as well as the shift in the import-export volume mix.

The volume of cargo handled rose from 28,055 tons in 2022 to 29,265 tons in 2023. Export cargo rose from 14,898 tons in 2022 to 17,196 tons in 2023 due to the increased export of perishable products including meat, fish, avocados, and flowers. The decrease in import cargo from 13,157 tons to 12,070 tons in 2023 can be attributed to a reduction in the volume of vaccine shipments compared to the prior year.

Cargo revenue versus budget
The revenue realized from cargo handling services amounted to TShs 19,586 million, which was 4.5% below the budgeted revenue of TShs 20,512 million. This deviation from the budget was primarily due to a decrease in the volume of high yield imported cargo by 8%, despite a significant increase in lower yield export cargo by 23%. Although we had budgeted to handle 27,897 tons of cargo, we ended up handling 29,266 tons during the year.

Lounge Business
On 28th March 2022, the Twiga Lounge by Aspire was officially launched. In 2023, the lounge served 34,085 passengers compared to 12,267 passengers in 2022, marking an impressive 178% increase. This substantial growth in passenger traffic contributed to a revenue of TShs 1,488 million in 2023, compared to the revenue of TShs 527 million generated in 2022. Despite the increase in revenue the lounge recorded a loss of TShs 205 million during the year compared to the loss of TShs 251 million in 2022. Management is taking appropriate measures to address cost structure to improve the profitability of the lounge.

5 OPERATING AND FINANCIAL REVIEW (CONTINUED)

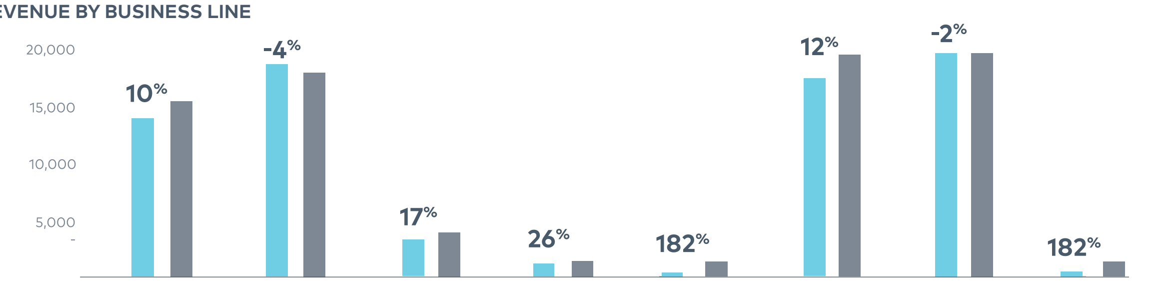
Lounge revenue versus budget

Revenue realized from the lounge business of TZS 1,488 million was approximately 39.1% higher than the budgeted revenue of TShs 1,069 million. This significant deviation was attributed to the higher number of passengers who visited the lounge.

The Company generated its revenue from JNIA and KIA operations.

Revenue realized from ground handling (GH), cargo handling services (CH), and lounge business (LO) operations at Julius Nyerere International Airport (DAR) and Kilimanjaro International Airport (JRO) are as follows:

REVENUE BY BUSINESS LINE



	DAR - GH	DAR - CH	JRO - GH	JRO - CH	JRO - LO	Total - GH	Total - CH	Total - LO
FY 2022	13,973	18,621	3,435	1,325	527	17,408	19,946	527
FY 2023	15,437	17,923	4,010	1,663	1,488	19,447	19,586	1,488

Profitability

During the year, the Company recorded an operating profit before tax (PBT) of TShs 5,458 million, which was TShs 1,496 million or approximately 37.8% above the profit before tax (PBT) of TShs 3,962 million realized in 2022. The increase in profit before tax (PBT) was attributed to the stabilization of the business following a successful recovery from the financial and operational impact of COVID-19.

Cash flows

The Company generated enough cash flow from its operations to maintain a positive free cash flow position. The Company generated TShs 7,486 million from its operating activities (2022 – TShs 7,025 million). The increase in the cash flows from operations was mainly due to increase in the profit before income tax of TShs 5,458 million (2022 – TShs 3,962 million).

Investments

During the year, the Company invested TShs 6,059 million on GSEs, Computers, Warehouse equipment, Workshop tools and equipment and construction of restroom for staff at JNIA (2022 – TShs 2,291 million).

In February 2024, KADCO approved our plan to rehabilitate the cold storage facility at KIA to meet the high demand for the facility at the airport. The completion of the project will significantly improve the quality of services offered to perishable exporters at KIA. The project will commence on 1st June 2024 and will cost Euros 1.2 million.

The Company remains committed to invest in Ground Support Equipment (GSE), human resources, safety measures, training programs, and Information and Communication Technology (ICT) initiatives deemed strategically important. These investments aim to bolster the quality of services provided, ensure the security and safety of both employees and customers, and maintain operational efficiency.

5 OPERATING AND FINANCIAL REVIEW (CONTINUED)

Airline performance and retention

No loss of customer was registered during the year and all airline customers operated as per communicated operating schedules with some cancellations and equipment changes due to operational reasons. We won Saudi Arabian Airlines business during the year.

Our customers firmly measured the Company's operational performance using a set of Key Performance Indicators (KPIs), which are part of the agreed Service Level Agreements (SLAs). The agreed KPIs were, to a great extent, achieved. To improve the quality of services offered to our customers, we introduced the Net Promoter Score (NPS), the voice of customers, through which customers share feedback on the previous week performance. Appropriate measures are taken to address operational gaps reported by customers. NPS outcomes are reviewed by the Group CEO's office.

Overall Performance

The operational and financial performance of the business was impressive following significant recovery of the volume of business from the impact of COVID-19 pandemic. As a result, both revenue and profit increased. Operation performance was good, we met airline performance KPIs. We complied with Standard Operating Procedures and Airline Goals, Operators, Methods, Selection model (GOMs). Ground Handling Support Equipment were always reliable and available to support operations.

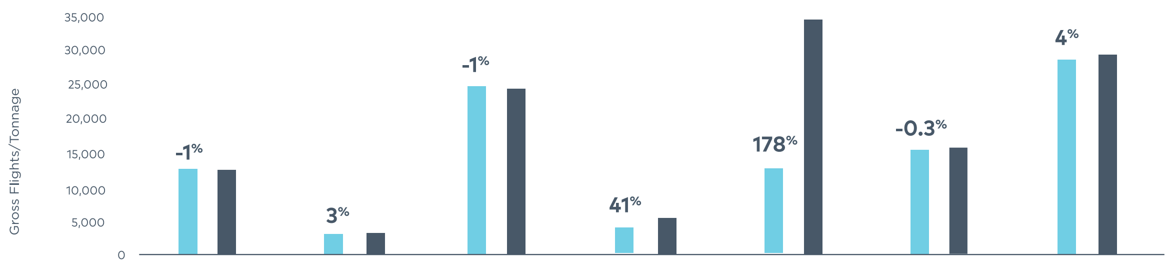
The Company continued to focus on quality, health, safety, security, and environment (QHSSE), training, compliance, and investments during the year. Appropriate measures were taken to ensure compliance with best industry practices. Several achievements were realized on QHSSE, and no major safety incident was recorded during the year. The Company recorded no aircraft damage as well as no lost time injury. These achievements helped the Company to enhance the quality of services and relationships with customers.

The Company continues to face various operational and commercial challenges. In response, long and short-term strategies such as meeting and discussing commercial and operational issues with relevant stakeholders. In addition, business re-organization, training of staff, and investments in ground operating equipment and warehouse facilities were implemented to address the challenges faced by the Company.

Cash from operations was the main source of funds for the business and where there was a need for additional funding, bank loans, head office loans, and any other sources approved by the Board were available to fund the additional requirements.

The following are key operational indicators for the performance of the Company.

STATISTICS BY STATION



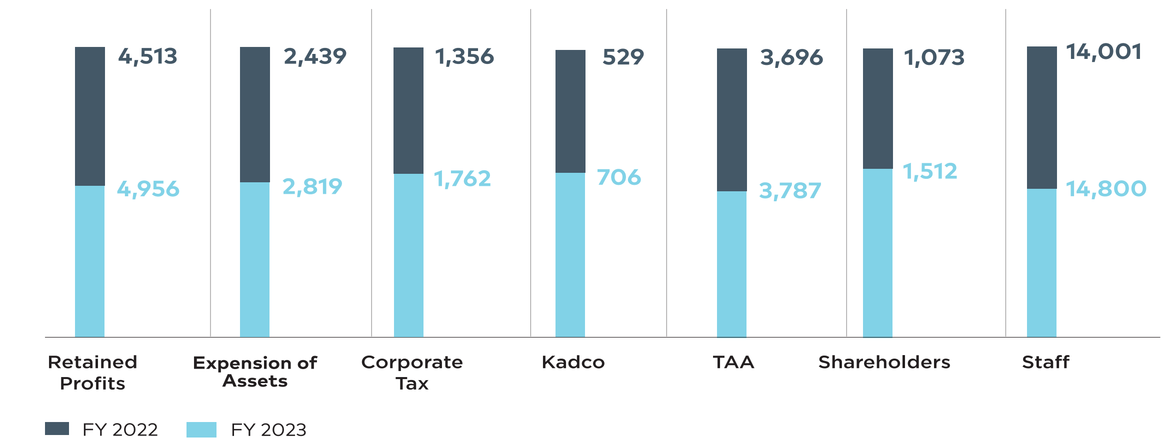
	DAR Flights	JRO Flights	DAR - CARGO Tonnage	JRO - CARGO Tonnage	TOTAL LOUNGE Visitors	TOTAL Flights	TOTAL Tonnage
FY 2022	12,316	2,892	24,346	3,710	12,267	15,208	28,055
FY 2023	12,172	2,991	24,037	5,228	34,085	15,163	29,265

6 VALUE ADDED STATEMENT

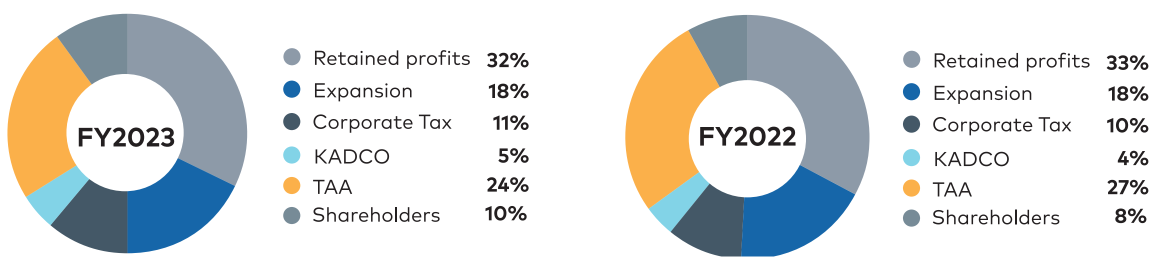
The value generated by the Company is distributed as follows:

	2023 TShs M	2022 TShs M
Revenue (including other income)	40,934	38,290
Purchase of materials (fuel, maintenance, rent, and others purchase)	(10,592)	(10,683)
Value Added	30,342	27,607

VALUE ADDED STATEMENT



VALUE ADDED DISTRIBUTION – AMOUNTS IN TSHS M



7 FUTURE DEVELOPMENTS

Short and long-term plans are prepared to provide strategic direction, financial projections, and investment plans for the Company. The directors review and approve the company's annual budget and business plan.

The directors are aware of the factors (risks and opportunities) affecting the aviation industry in Tanzania and at the global level and their related financial impact. Where appropriate, the expected impact is fully recognized in the Company's projections.

The focus going forward is to grow the business through enhancing business relationship with airline customers and cargo forwarders, expansion to other airports, introduction of new product lines and investing in export facilities to continue promoting export of perishable products. Export of perishable

7 FUTURE DEVELOPMENTS (CONTINUED)

products out of Tanzania is growing and we are determined to continue investing in cold storage facilities to foster export of perishable products. Cargo import volumes are stable, we shall continue providing high quality services to our customers to retain and tap future volumes.

Ground handling segment remained strong in 2023 and more growth is now anticipated in 2024. The business is prepared and ready to handle the expected additional volumes. We are also aware that Air Tanzania network expansion plans will continue fostering growth of the ground handling business.

The Company's growth strategies are limited to other underlying challenges. These challenges among others, include the small size of the market (few airlines are operating in the country), the market being dominated by few big players, decreasing yield, limited business expansion opportunities, and an increased number of ground handlers.

To address the challenges and improve the top line, directors always restructure the business and adopt strict cost control measures to improve operating efficiency and reduce costs. In addition, the directors address commercial challenges by retention of customers, negotiation of the ground handling agreements and pursuing new business opportunities.

The directors support steps taken by the Government of Tanzania to promote the development of the aviation and tourism sectors in the country and have formulated plans to pursue new opportunities arising from the Government's initiatives and, where appropriate, make the necessary investments to complement efforts taken the by Government.

The Company's five-year business plan considered IATA estimates of aviation industry outlook which projects stable performance going forward.

8 COMPETITION

The ground handling business at Julius Nyerere International Airport (JNIA) and Kilimanjaro International Airport (KIA) are fully liberalized. Apart from Swissport Tanzania Plc, there are competitors providing both ground handling and cargo handling services at JNIA and KIA and another competitor offering cargo handling services exclusively at JNIA.

In May 2022, TCAA published its Board decision No. 1 of 2022, the decision repealed Board decision No. 1 of 2016 and has fully liberalized the ground handling business in Tanzania.

The directors are aware of the threats from the competition and have formulated several plans and strategies that will provide consistent performance in a competitive environment. Customer retention through offering enhanced quality services, cost control, investments, business re-engineering, pursuing new revenue opportunities, and working capital management are key steps the Company takes to sustain financial performance.

The Company has 90% market share in grounding handling segment and 97% in cargo handling segment.

9 PRINCIPLE RISK AND UNCERTAINTIES

The Company's financial performance largely depends on the operational performance of its airline customers. Consequently, we have limited control over the business, which poses a high risk for the Company. Our top line is influenced by the performance of the airlines, while we maintain control over costs. Therefore, we consistently implement cost control initiatives to sustain the Company's financial performance. Additionally, as the business evolves, the Company is continually working proactively to increase its revenue.

9 PRINCIPLE RISK AND UNCERTAINTIES (CONTINUED)

The significant uncertainties to our business are the loss of airline customers and/or variation in production volumes (flights and tonnage). The reduction of either number of flights or the volume of cargo negatively impacts the Company's financial performance. However, we always respond to changes by reviewing our cost structure and implementing strict cost-cutting measures to mitigate the potential financial impact of fluctuations in business volumes.

More detail on the financial risks facing the Company are presented in Note 9.

10 INPUT AND OUTPUT

Employees, warehouses, cold rooms, and Ground Support Equipment (GSEs) are the most valuable assets and key inputs in our operations, others are Standard Operating Procedures (SOPs), technology, safety management system (SMS) and quality and industry certifications. We utilize these tools to uphold the provision of high-quality services to our esteemed customers. It's our people who truly make the difference. Beyond technical skills necessary to fulfil their roles, it's the mindset of our employees to exceed expectations that sets Swissport apart as the partner of choice for airlines at the airports we operate.

Operational KPIs agreed upon by our customers measure the quality of our services provided to airline customers.

11 RESULTS AND DIVIDENDS

The Company realised a net profit of TShs 3,696 million (2022 – TShs 2,606 million). The directors have proposed a dividend of TShs 1,848 million (2022- TShs 1,512 million), equal to TShs 51.33 (2022-Tshs 42.00) per issued and fully paid in shares. The approved dividend represents 50% of the net profit after tax for the year.

No interim dividend was approved in 2023 (2022 – Nil), the decision was made by the Board to ease cash flow pressure and allow the Company to effectively finance investments to meet the increased volume of operations.

12 SOLVENCY

The Company's state of affairs as at 31 December 2023 is set out on page 58 of the financial statements. The cash flow forecast demonstrates the ability of the Company to meet both its short-term and long-term liabilities as they fall due.

13 LIQUIDITY

The Company has a positive liquidity position as set out on page 56 of the financial statements. Financial obligations of the Company are mainly met using internally generated cash flows.

14 USES OF FUNDS AVAILABLE

Cash and cash equivalents held by the Company are used to finance operating activities, settle maturing obligations and approved dividends, finance investment projects and, where necessary excess cash is invested into a fixed deposit or call account.

15 SHARE CAPITAL AND STOCK EXCHANGE INFORMATION

The Company's authorized share capital is TShs 500 million divided into 50 million ordinary shares of TShs 10 each. The Company's issued and paid-up share capital is TShs 360 million, divided into 36 million ordinary shares of TShs 10 each. Presently, Swissport International Ltd. owns 51% of the Company's share capital, and different companies and individuals through the Dar es Salaam Stock Exchange (DSE) own the remaining 49% of the share capital. Local shareholders own 24% (2022 – 24%) of the Company's share capital.

Shares of the Company are listed at the DSE, and 49% of the Company's issued shares are actively traded as free float. In the year 2023, the performance of the Company's shares in the secondary market was as follows: Market capitalization as at 31 December 2023 was TShs 47,520 million (2022 – TShs 47,520 million), the total turnover of the Company's shares at DSE was TShs 584 million (2022 – TShs 4,432 million), the average price of Company shares was TShs 1,447 (2022 – TShs 1,378) and the closing share price as at 31 December 2023 was TShs 1,320 per share (2022 – TShs 1,320). IPO price in 2003 was TShs 225 per share.

16 DISABLED PERSONS

The Company's policy is to accept disabled persons for employment for those vacancies that they can fill. The Company also maintains its policy of continued employment of employees who become disabled while in service. At 31 December 2023, the Company had 1 disabled employees (2022 – Nil). Efforts are being made to increase number of disabled employees in the Company.

17 TRAINING

At Swissport we intend to set standards of operational excellence in airport ground services and air cargo handling. We provide a wide range of training to support our employees in realizing their full potential. By continuously investing in staff qualifications, we are able to do an even better job fulfilling the expectations of our key clients, such as reliability, service quality, standardization and consistency. Swissport Tanzania Plc. has its own approved training unit, which is tasked with ensuring that all staff members are thoroughly trained to meet the regulatory standard that governs the industry (ICAO, IATA and TCAA) as well as meeting airline training requirements.

The Swissport Tanzania Training Centre is approved by the International Air Transport Association (IATA ATC) and an Approved Training Organisation (ATO) by Tanzania Civil Aviation Authority (TCAA). In addition to the in-house training program, has a broad syllabus of training that is offered to airline partners and to members of the general public. Amid the pandemic challenges, IATA approved training courses, along with numerous aviation related courses, were offered throughout 2023 for the programmes enrolled for 2023.

TCAA approved the Company to conduct two aviation security courses out of four for own staff during the year. The approval will reduce the training cost of the Company and fosters compliance.

The Company spent TShs 86 million in external training (2022 – TShs 90 million). Focus remains on building our trainer's capacity. We aim to achieve the intended objective of providing better training and better facilities for employees, reducing training costs, and providing training opportunities to various stakeholders in the aviation industry.

18 STAFF PERFORMANCE MANAGEMENT

Annually, we conduct comprehensive performance assessments across all staff levels, utilizing predetermined objectives and Key Performance Indicators (KPIs). This is currently achieved through an internal designed system for evaluating the performance of all staff members.

19 LICENSE

Swissport Tanzania Plc is licensed by Tanzania Civil Aviation Authority (TCAA) to provide ground handling and cargo handling services in Tanzania. Our current license is valid up to 23 November 2028.

20 CONCESSION AGREEMENTS

The Company has concession agreements with the Tanzania Airports Authority (TAA) to operate at Julius Nyerere (JNIA) and with the Kilimanjaro Airport Development Corporation (KADCO) to operate at Kilimanjaro International Airport (KIA).

The expiry dates of all concession agreements are as follows:

Julius Nyerere International Airport	30 April 2027
Kilimanjaro International Airport	30 June 2024 (Renewal discussions are ongoing)

The directors are confirming compliance with terms and conditions of the existing concession agreements as stipulated by TAA and KADCO.

21 EMPLOYEE WELFARE

(i) **Relationship between management and employees**

A collective agreement entered between the Communication and Transportation Workers Union (COTWU) and the management governs the relationship between the management and the employees.

The existing agreement between COTWU and the management (CBA) outlines employees' benefits, which are paid as stipulated in the agreement. A three-year contract, effective until 31 December 2023, was signed in 2021. We are currently in the renewal process for another three-year contract.

COTWU provides a link between the management and the employees. Matters affecting employees are discussed between COTWU and the management on a monthly basis.

The management also holds departmental and general staff meetings, where issues affecting employees are discussed and appropriate solutions are established.

Further to the existing agreement between COTWU and the management, the Company has a documented human resources manual. The manual clearly stipulates the rights, obligations, and benefits of the employees.

The Company also has a Master Workers Council (MWC), which is made up by members from the management and general employees. MWC meets at least twice a year to discuss the Company's budget and financial results of the Company. Employees, through their representatives who are members of the MWC are involved in the decision-making process regarding the budget, business improvement plans, cost control measures and investments. Employees are also informed about the financial performance of the Company.

(ii) **Industrial safety**

The Company continued to comply with the standards of industrial safety established by Tanzania Civil Aviation Authority (TCAA), International Civil Aviation Organisation (ICAO), International Air Transport Association (IATA) and Occupational Safety and Health Authority (OSHA). The Company is dully registered with OSHA, WCF, and has been issued with a compliance certificate.

21 EMPLOYEE WELFARE (CONTINUED)

(iii) **Medical facilities**
We have an agreement with the National Health Insurance Fund (NHIF) and Strategies Insurance, where all staff and their families are covered in accordance with the requirements of the Employment and Labour Relations Act 2004.

(iv) **Uniforms and protective gears**
To ensure staff are operating in a safe environment and are protected from operational hazards, staff are properly trained on safety related matters and are provided with uniforms and all relevant protective gear that meets international standard per the aviation industry.

(v) **Employee benefits (Pension obligations – defined contribution plan)**
All employees on permanent and fixed contracts are enrolled with the National Social Security Fund (NSSF) after the changes of the law governing social security schemes, where the government deregistered and merged various pension funds and formed two Funds to cater for public and private sectors and NSSF was earmarked to serve the private sector.

The Company contributes to NSSF at 10% of gross salary for contract staff and 15% of gross salary for permanent and pensionable staff.

The Company has an unfunded non-contributory employee gratuity arrangement for permanent and pensionable employees (the "Arrangement") which provides for lump sum payments to its employees on their retirement at the age between 55 and 60 years, on early retirement for approved reasons and up to on death. Detailed financial information of the arrangement is provided in Note 26 to the financial statements.

(vi) **Group life insurance policy**
The Company has a group life cover where all employees with employment contracts of over one year are covered and their estates are compensated when they are demise. Funeral benefits are also provided on deaths of dependants and biological parents.

(vii) **Swissport SACCOS**
Swissport employees, with the support of the management, established Swissport SACCOS in 2005, all employees are free to join. SACCOS is intended to help employees build saving culture and supports them to secure short- term and soft loans. Management of SACCOS is under the independent SACCOS management, which is overseen by the SACCOS board.

The Company sponsors Swissport SACCOS and does not interfere the running of SACCOS. Swissport SACCOS is an independent organisation.

22 GENDER PARITY

As at 31 December 2023, the Company had 778 (December 2022: 770) full time employees, out of which 197 (December 2022: 192) were female and 581 (December 2022: 578) were male.

23 INVESTMENTS

The Company has a clear investment policy, where all investment requirements are established by Heads of Sections, reviewed, priced, and included in the Company's budget. The planned investments are subsequently presented to Swissport International for review and approval. Board of Directors is involved during the approval of the budget.

During the implementation of the planned investment plan, investment requests are raised by the Chief Financial Officer (CFO) and approved by either the Chief Executive Officer (CEO) or Swissport

23 INVESTMENTS (CONTINUED)

International (SPI); the approval levels are determined by the approved limits set by SPI in the Group Directives.

Accordingly, in 2023, the Company invested TShs 6,059 million on GSE, computer, warehouse equipment, Workshop facilities and construction of restroom at JNIA (2022 – TShs 2,291 million). Note 21(a) and (b) provides details of the investments to the financial statements.

24 RELATIONSHIP WITH STAKEHOLDERS

The Company has a good and strong relationship with its shareholders, customers, suppliers, bankers, lawyers, employees, tax authority, airports authority, and regulators.

Our relationships with stakeholders are built upon mutual understanding and compliance with the agreed and stipulated terms.

25 ACCOUNTING POLICIES

Accounting policies applied are consistent, unless where new standards have been applied. New standards applied in 2023 did not result in a significant change in the financial performance but led to increased disclosures in the Company's financial statements. Future changes are not expected to bring any significant change in the financial performance or disclosures of the Company's financial statements.

26 RELATED PARTY TRANSACTIONS

Other than charges for the use of Cargospot, MAXIMO, D.A.T.E, GS Planning, FindNet, FSC, World tracer, Uniform tool, SPASS+, Infraport systems, IT support recharges, trademark fee, procurement fee and insurance recharges, the Company does not have other transactions with its holding Company.

The Company pays directors' fees and sitting allowances to its directors and salaries and bonuses to its key management personnel. The directors who served the Company during the year are disclosed on page 3. The key management personnel of the Company are:

Name		Title
1	Mr. Mrisho Yassin	Chief Executive Officer
2	Mr. Joshua Jonas	Chief Financial Officer
3	Mr. Wandwi Mugesi	Cargo Business Lead
4	Ms. Amina Bilali	Commercial Manager
5	Mr. Shamba Mlanga	Dar es Salaam Station Manager
6	Mr. Deogratius Haule	QHSE Manager
7	Mr. Fadhil Omary	Training Manager
8	Ms. Joyce Jeremiah	Kilimanjaro Station Manager
9	Ms. Nyakato Mwesigwa	Human Resources Manager
10	Mr. Godfrey Rweyemamu	Security Business Lead

Detailed financial information with related parties are provided in Note 29 to the financial statements.

27 PROCESS MANAGEMENT

The Company operates under quality and environmental management systems, both internationally certified. The quality management system adheres to ISO 9001:2015 standards, while the environmental management system complies with ISO 14001:2015 standards. These two standards enable the Company to sustain and enhance the quality of its services and ensure compliance with environmental laws and regulations. The certifications undergo annual audits, reviews, and updates to maintain compliance. Our systems were recertified in December 2023 and January 2024, and the renewed certificates for ISO 9001:2015 and 14001:2015 are valid until 31st December 2026 and 29th January 2027, respectively.

ISO certification requires that we have all our operational and finance processes documented.

28 IATA SAFETY AUDIT FOR GROUND OPERATIONS (ISAGO)

The Company is operating using Swissport International Ltd management system which is approved by ISAGO. This means our operations in organisation and management, load control, passenger and baggage handling, aircraft handling and loading, aircraft ground movement and cargo and mail handling are compliant with IATA safety requirements.

29 SWISSPORT FORMULA

Swissport Formula is a management tool kit, which was introduced by SPI throughout the Swissport Network. At the Dar es Salaam Office, this tool was rolled out in 2008 aiming at changing the Swissport culture from a local understanding of "*The Swissport way of doing things*" to a more global approach, reinforcing local strengths with the Swissport core values.

Since the introduction of the Swissport Formula, we have witnessed service improvements at all levels and this has enabled the top management to concentrate on important tasks of controlling, directing and not on daily operational issues that are now under first level management or middle managers to achieve quality targets in operations. The Swissport Formula consists of two key elements namely: KPI's and Active Supervision.

Key Performance Indicators (KPI's) are performance measurements that play a very important role in our daily operations, helping us to measure our own performance for the purpose of continuous improvement. Active Supervision is a structured management system that empowers middle managers, in a formal and structured way, to control the entire daily operation. This enables the delivery of consistent and robust operational performance, along with the management of operational anomalies, by a strong and well-trained middle management team.

In addition to this, we have implemented Cargo 2000 for the management of cargo operations.

30 SAFETY

Delivering a safe and secure operation is the primary objective of the Company. The business operates a robust Safety Management System (SMS) alongside its Quality Management System (QMS). The implementation is governed by the corporate policy whose objectives are achieved through the implementation of the Safety and Health Management Manual.

The SMS is structured in the manner that ensures that everyone participates in ensuring safety within the Company, via a healthy reporting culture. Our aim is to consistently ensure compliance with regulatory, airports, airlines, and corporate safety requirements.

To ensure safety is promoted, safety campaigns are regularly carried out. Safety alerts and posters are issued to enhance staff awareness. Safety inspections and audits are done frequently, as a component of safety assurance. Incidents and safety observations (both good practise and deviations) are regularly captured and analysed to assess the effectiveness of SMS.

In 2023, Swissport International introduced two initiatives to strengthen and develop a robust safety culture within the organization: the 'Six Safety Commitments' and the '7 Strategic Safety Initiatives.' Swissport Tanzania has fully adopted these initiatives and continues to maintain compliance. This includes wearing PPE at all times in operations, following procedures and performing only tasks for which one has been trained, stopping any unsafe activity, never walking past any unsafe situation without addressing it, incident reporting, and prioritizing safe operations over on-time performance.

31 SECURITY

An internal security department was established in accordance with Security Annex 17 of the International Civil Aviation Organization (ICAO). Employees within the department are required to complete minimum training in aviation security. All employees receive initial, on-the-job, and recurrent training to ensure compliance to the requirements.

Regulatory authorities have licensed Swissport Tanzania Plc to conduct AVSEC activities by following the National Civil Aviation Security Programme (NCASP), the Civil Aviation Regulations (CARs 2018) as amended and the Airport Security Programme. TCAA approved Swissport Security Programme in February 2023, and it is up to date.

Swissport is RA3 validated for both Julius Nyerere International Airport and Kilimanjaro International Airport for both European Union countries and United Kingdom. With the validation status, any shipment accepted from our stations can now go straight without being screened at transit stations.

Swissport adheres to industry standards as stipulated by ICAO and TCAA. We have a structured framework within the business that supports compliance with ICAO and TCAA security requirements.

32 ENVIRONMENT

We promote environmental responsibility in our services and among our employees, and we encourage the development and application of environmentally conscious technologies across our business.

In our efforts to reduce the negative environmental impact of our operations, we focus on the efficient use of resources, effective planning, lean processes, and invest in eco-friendly equipment and infrastructure.

Environmental care is an integral part of our planning and decision-making processes. We are committed to continuously reducing the environmental impact of our operations - both in the management of our facilities and in the natural resources we rely on. One of our most prominent initiatives is our commitment to increasing the share of our fleet's electrically powered Ground Support Equipment (eGSE).

32 ENVIRONMENT (CONTINUED)

As part of our commitment, we are refining our environmental management system to ensure compliance with ISO 14001:2015 and expand it to cover all business areas. The new system will enable us to improve our internal and external reporting, and significantly increase our contribution to environmentally responsible operations at the airports we serve.

33 CORPORATE SOCIAL RESPONSIBILITY

We have a corporate social responsibility policy. Our policy is directed towards contributing to the country's economic development and environmental sustainability, while improving the welfare of our employees and their families, shareholders as well as of the community and society at large.

In addition to what we offer to our staff in terms of staff benefits and shareholders in terms of dividends, the Company has engaged in various training, safety, and environmental programs, which benefit society. The Company has been setting aside a budget of TShs 100 million for supporting various community development initiatives.

During 2023, the Company forged a strategic collaboration with CCBRT hospital to aid in the treatment of children with congenital clubfoot, contributing a sum of TShs. 45 million towards this cause. The total expenditure for Corporate Social Responsibility (CSR) activities in 2023 amounted to TShs 58 million (2022 – TShs 79 million).

34 STATION MANAGEMENT

The Company has two operating stations, namely Julius Nyerere International Airport (JNIA), Kilimanjaro International Airport (KIA). All stations have operational autonomy and have independent operational teams. Each is controlled from the Head Office (JNIA).

The two stations have full accounting functions and the Company's CFO is responsible for all accounting functions.

Swissport International launched our first Station Management Manual (SMM) in 2022. It sets out the global standards we need to follow in delivering services to our customers and their passengers who rely on us at airports around the world every day. Along with the SOPs these standards will ensure that we deliver excellence for our customers consistently wherever they are.

35 CORPORATE GOVERNANCE

The Board is committed to the principle of best practice in corporate governance. To execute the principle of corporate governance the Board observed four principles, namely: Non-executive Directors, Director's remuneration, Relations with shareholders, and Accountability and Audit.

i) **Directors**

The Board of Directors has five directors; four of them are non-executive directors hence not involved in the day to day running of the business. The four directors are considered by the Board to be independent of the management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment. The Board of Directors possesses a range of experience and is of a sufficiently high calibre to bring independent judgment to bear on issues of strategy, performance, resources, and standards of conduct that is vital to the success of the Company. A clear separation is maintained between the responsibilities of the Chairman, who is concerned with the running of the Board, and executive management responsible for the running of the Company's business. The Board is responsible to shareholders for the proper management of the Company and is responsible for the Company's objectives and policies and providing effective leadership and control required for a public Company.

35 CORPORATE GOVERNANCE (CONTINUED)

Two board meetings were held during year ended 31 December 2023 (2022 – two board meetings), which were attended by the Chief Executive Officer and Chief Financial Officer.
Mr. Dirk Goovaerts chaired the Board, and he was responsible for the assessment of the performance of board members.

ii) **Directors' remuneration**
Directors' remunerations are approved at the Annual General Meeting (AGM). These include director's fees and sitting allowances. The Board of Directors approves key management remunerations. It is the Company's policy to remunerate its directors, and key management personnel, in accordance with their responsibilities and the prevailing market conditions. Directors' and key management remuneration is highlighted in Note 29 to the financial statements.

iii) **Relations with shareholders**
The Board places considerable importance on effective communication with shareholders. All shareholders have access to the annual report and financial statements. Other important information about the Company can be accessed by shareholders through the **Company's investors portal https://swissport.co.tz/**. The Board uses the Annual General Meeting to communicate with institutional and private investors and welcomes their opinions.

iv) **Accountability and Audit**
The Board is mindful of its responsibility to present a balanced and clear assessment of the Company's financial position and prospects. This assessment is primarily provided in the Directors' Report.

The internal control systems have been designed to manage, rather than eliminate, the risk of failure to achieve business objectives and provide reasonable assurance against material misstatement or loss. The control environment is strong with a robust organizational structure, risk identification and evaluation process, information and financial reporting systems, investment appraisal process, strong internal audit, and a robust fraud management system. Review of the effectiveness of the system of internal controls is delegated and carried out by the Board Audit Committee.

During the year the Board Audit Committee comprised of three directors: Mr. Raymond P Mbilinyi, Dr. Charles Stephen Kimei and Mr. Eric Muriithi, a director representing Swissport International. The committee met twice physically and once virtually during 2023 (2022 – three times) where the Chief Executive Officer, the Chief Financial Officer represented the management team for Swissport Tanzania Plc. Internal Auditors attended all the three meetings and representatives of the Company's external auditor attended two meetings (2022 – two meetings). The Audit Committee is chaired by Mr. Eric Muriithi.

The Company Secretary attended all meetings conducted during the year.

The Audit Committee is responsible for reviewing the effectiveness of the Company's risk management, internal control systems and operations, which includes the half year and annual financial statements and the Company budgets before their submission to the Board and monitoring the controls which are in force to ensure the integrity of the financial information reported to the shareholders.

The Board Audit Committee advises the Board on the appointment of the external auditor approves their remuneration and discusses the nature, scope, and results of the audit with the external auditor.

35 CORPORATE GOVERNANCE (CONTINUED)

The Audit Committee is responsible for reviewing the effectiveness of the Company's risk management, internal control systems and operations, which includes the half year and annual financial statements and the Company budgets before their submission to the Board and monitoring the controls which are in force to ensure the integrity of the financial information reported to the shareholders. The Board Audit Committee advises the Board on the appointment of the external auditor approves their remuneration and discusses the nature, scope, and results of the audit with the external auditor.

v) **Attendance of the Board and Audit Committee meetings**

	Name	97th BOD meeting	98th BOD meeting	53rd BAC meeting	54th BAC meeting	55th BAC meeting
1	Mr. Dirk Goovaerts	✓	✓	✱	✱	✱
2	Mr. Raymond P Mbilinyi	✓	✓	✓	✓	✓
3	Dr. Charles S Kimei	✓	✓	✓	✓	X
4	Mr. Eric Muriithi	✓	✓	✓	✓	✓
5	Mr. Mrisho Yassin	✓	✓	✓	✓	✓

✱ not a member ✓ attended the meeting X absent with apology

36 STATEMENT OF COMPLIANCE

Directors are of the opinion that the Company complied with all laws and regulations and guidelines affecting the Company and its related operations including the requirements of Tanzania Financial Reporting Standard No. 1 the Report by Those Charged with Governance.

As required by Capital Markets & Securities Authority, the directors do confirm compliance with Guidelines on Corporate Governance Practices by Public Listed Companies in Tanzania.

37 GOING CONCERN

The directors have made an assessment of the ability of the Company to continue as going concern and have no reason to believe that the business will not be a going concern for at least twelve months from the date of approving these financial statements.

38 AUDITOR

The auditor, KPMG, have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing the re-appointment of KPMG as auditor of the Company for year 2024 will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

Mr. Dirk Goovaerts
Chairman of the board of directors

Date: 23 May 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

The Company's directors are responsible for the preparation of financial statements that give a true and fair view of Swissport Tanzania Plc comprising the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include material accounting policies in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), and in the manner required by the Companies Act, 2002.

The directors are also responsible for such internal control as the directors determine is necessary to prepare financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have assessed the ability of the Company to continue as going concern as disclosed in Note 2(b) of these financial statements and have no reason to believe that the business will not be a going concern in the period of at least twelve months from the date of approval of these financial statements.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Approval of financial statements
The financial statements of Swissport Tanzania Plc, as identified in the first paragraph, were approved and authorised for issue by the board of directors on 23/5/2024 and signed by:

Mr. Dirk Goovaerts
Chairman of the Board of Directors

DECLARATION OF CHIEF FINANCIAL OFFICER

FOR THE YEAR ENDED 31 DECEMBER 2023

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a Statement of Declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a professional accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view position of the entity in accordance with international accounting standards and statutory reporting requirements. Full legal responsibility for financial statements rests with the Board of Directors as under Directors Responsibilities' statement on an earlier page.

I **Joshua Jonas** being the Chief Financial Officer of Swissport Tanzania Plc hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2023 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements comply with applicable accounting standards and statutory requirements as on that date and that they have been prepared based on properly maintained financial records.

Signed by: Joshua Jonas

Position: Chief Financial Officer

NBAA Membership No: ACPA 3591

Date: 22 May 2024

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SWISSPORT TANZANIA PLC

KPMG

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Swissport Tanzania Plc ("the Company") as set out on pages 54 to 99, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies Act, 2002.

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 International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other information

1 Valuation of the defined benefit plan (TZS 1,752 million)

Refer to the accounting policy Note 6(c) employees benefits and the retirement benefit obligations Note 26

Key audit matter	How the matter was addressed in our audit
The Company has an unfunded non-contributory employee gratuity arrangement for permanent and pensionable employees which provides for lump sum payments to its employees: — on their retirement at the age of between 55 and 60 years, or — those allowed to retire early, or — those who die while in employment. The determination of employee gratuity is based on significant judgements and estimation which include the estimate around the rate of salary escalation, retirement age and the discount rate used to present value the gratuity obligation.	Our audit procedures in this area included: — Involving our own actuarial specialists in evaluating the actuarial valuation performed by the Company's actuaries. Our specialists challenged the assumptions applied by comparing inputs in the valuation such as rate of salary escalation, retirement age and discount rate to expected industry benchmarks such as rate of salary escalation, retirement age, mortality rate and the discount rate; — Obtaining an understanding of the processes put in place by management regarding the valuation of the defined benefit plan. This included evaluating the competence, capability and objectivity of the Company's actuaries who perform the actuarial valuation by inspecting their professional qualifications and registration with regulators; and

1	Valuation of the defined benefit plan (TZS 1,752 million) (continued)
	Refer to the accounting policy Note 6(c) employees benefits and the retirement benefit obligations Note 26 (continued)

Key audit matter (continued)	How the matter was addressed in our audit (continued)
Due to the high level of judgement applied and estimation involved in the valuation of the defined benefit plan arrangement, the valuation of the defined benefit plan was considered a key audit matter.	— Evaluating whether the accounting treatment for the defined benefit obligation and the related disclosure in the financial statements are adequate in accordance with IAS 19 *Employee Benefits* including disclosures of key judgements, sensitivities and assumptions.

2	Revenue recognition
	Refer to the revenue accounting policy Note 6(a) revenue and the revenue streams Note 10(a)

Key audit matter	How the matter was addressed in our audit
Revenue of the Company comprises of three main categories, cargo handling (TShs 19,586 million), ground handling (TShs 19,447 million) and lounge business (TShs 1,488 million). The Company uses a software (Cargo Spot) to initiate, process and recognize revenue from cargo handling. Inputs entered into the software such as charge rate, weight, volume and nature of the goods are subject to human intervention. The process of recognition of ground handling and lounge business revenue involves manual controls. There is high volume of transactions due to the daily number of scheduled and unscheduled flights that are served by the Company, this makes revenue recognition susceptible to errors on the amount or/and to be recognized. Moreover, revenue is among the main key performance indicators of the Company, there is a presumed pressure on management to ensure the Company achieves desirable financial results, hence, the risk of fraudulent revenue recognition. We have determined this area to be a key audit matter due to the size, significant manual input and hence the significant audit effort was required in this area.	Our audit procedures in this area included: — Involving our information technology specialists to assess the software system that is used to initiate, process and recognize revenue. This included testing the design, implementation and operating effectiveness of automated controls around revenue recognition by comparing the terms and pricing data on the system against the approved price lists and checked the recorded revenue agrees with the reports from the system; — Testing the design, implementation and operating effectiveness of manual controls around ground handling and lounge business revenue recognition. This includes management review of invoices issued to customers against evidence of the service delivered; — Inspecting a sample of revenue transactions to determine whether the amounts recognized as revenue agree with the charge out rates in the customer contracts and approved airway bills; — Assessing completeness of the revenue recognized by obtaining details of sales made few days before and after the end of the year and inspecting the source documents to ascertain whether the revenue was recognised in the correct accounting period; and — Evaluating the adequacy of the financial statement disclosures in accordance with IFRS 15 Revenue from Contracts with Customers.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the *Swissport Tanzania Plc report of the directors and financial statements for the year ended 31 December 2023*, but does not include the financial statements and our auditor's report thereon which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after that date.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors.

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies Act, 2002, 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 related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

As required by the Companies Act, 2002 we report to you, solely based on our audit of financial statements, that:

- in our opinion, proper accounting records have been kept by the Company;
- the individual accounts are in agreement with the accounting records of the Company;
- we obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit;
- directors' report is consistent with the financial statements; and
- information specified by the law regarding Directors' emoluments and other transactions with the Company is disclosed.

KPMG
Certified Public Accountants (T)

Signed by engagement partner: CPA Adolph Boyo (ACPA 2815)

Dar es Salaam
Date: 23 May 2024

FINANCIAL STATEMENTS

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 TShs M	2022 TShs M
Revenue	10	40,521	37,881
Other operating income	11	413	409
Staff costs	13	(14,800)	(14,001)
Concession fees	12	(4,493)	(4,225)
Fuel and maintenance costs	15	(2,483)	(2,547)
Depreciation of property and equipment	21(a)	(2,819)	(2,438)
Amortization of intangible assets	21(b)	(2,008)	(2,253)
Depreciation of right of use assets	30(b)	(732)	(727)
Rent and other occupancy costs	16	(715)	(761)
Impairment loss on trade receivables	23	(32)	-
Other operating expenses	14	(6,997)	(6,865)
Total operating expenses		(35,079)	(33,817)
Total operating profit		5,855	4,473
Finance costs	31	(397)	(511)
Profit before income tax		5,458	3,962
Income tax charge	17(a)	(1,762)	(1,356)
Profit for the year		3,696	2,606
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability	26	16	(181)
Deferred tax	17(b)	(5)	54
Total other comprehensive income for the year net of tax		11	(127)
Total comprehensive income for the year		3,707	2,479
Earnings per shares (TShs) – Basic	19	102.7	72.4
– Diluted	19	102.7	72.4

The notes on pages 60 to 99 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2023

ASSETS	Notes	2023 TShs M	2022 TShs M
Intangible asset	21(b)	9,034	10,900
Property and equipment	21(a)	17,925	14,827
Right of use asset	30(b)	2,374	3,029
Staff receivable	23	169	264
Non-current assets		29,502	29,020
Inventories	22	486	686
Trade and other receivables	23	8,944	6,094
Income tax recoverable	17 (d)	888	1,983
Cash and cash equivalents	24	5,232	6,719
Current assets		15,550	15,482
Total assets		45,052	44,502
EQUITY			
Share capital	25	360	360
Retained earnings		33,023	30,828
Total equity		33,383	31,188
LIABILITIES			
Lease liabilities (long term)	30(a)	1,735	2,732
Deferred tax liability	18	1,181	567
Retirement benefit obligations	26	1,752	1,914
Non-current liabilities		4,668	5,213
Related party loan (short term)	28	-	378
Trade and other payables	27	6,471	7,290
Lease liabilities (short term)	30(a)	530	433
Current liabilities		7,001	8,101
Total liabilities		11,669	13,314
Total equity and liabilities		45,052	44,502

The financial statements on pages 55 to 58 were approved and authorised for issue by the board of directors on 23 - 5 - 2024 and signed by:

Mr Dirk Goovaerts
Chairman of the Board of Directors

Mr Raymond P Mbilinyi
Director

The notes on pages 60 to 99 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Share capital TShs M	Retained earnings TShs M	Total TShs M
Year ended 31 December 2023				
Balance at 1 January 2023		360	30,828	31,188
Comprehensive income:				
Profit for the year		-	3,696	3,696
Other comprehensive income:				
Remeasurement of defined benefit liability – net of tax		-	11	11
Total comprehensive income for the year		-	3,707	3,707
Transactions with owners:				
Dividends declared and transfers to liabilities		-	(1,512)	(1,512)
Balance at 31 December 2023		360	33,023	33,383
Year ended 31 December 2022				
Balance at 1 January 2022		360	29,422	29,782
Comprehensive income:				
Profit for the year		-	2,606	2,606
Other comprehensive income:				
Remeasurement of defined benefit liability – net of tax			(127)	(127)
Total comprehensive income for the year		-	2,479	2,479
Transactions with owners:				
Dividends declared and transfers to liabilities		-	(1,073)	(1,073)
Balance at 31 December 2022		360	30,828	31,188

The notes on pages 60 to 99 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	**2023** TShs M	2022 TShs M
Cash flows from operating activities			
Profit before income tax		5,458	3,962
Adjustment for:			
Depreciation of property and equipment	21(a)	2,819	2,438
Amortization of intangible assets	21(b)	2,008	2,253
Depreciation of right of use assets	30(b)	732	727
Provision for retirement benefit obligations	26	191	246
Gain on disposal	11	(1)	(35)
Unrealized exchange loss on lease liability		59	-
Unrealized exchange gain on cash balances		(11)	-
Interest expense on lease liabilities	30(c)	393	387
Interest expense on loan	28	4	124
Change in:			
Inventories		200	(282)
Trade and other receivables		(2,755)	(2,265)
Trade and other payables		(819)	160
WHT utilised	17 (d)	(243)	-
Cash generated from operating activities		8,035	7,715
Retirement benefits paid	26	(337)	(179)
Interest paid on lease liability	30(c)	(393)	(387)
Interest paid on loan	28	(4)	(124)
Income tax paid	17 (d)	(1,227)	-
Income tax refund	17 (d)	1,412	-
Net cash from operating activities		7,486	7,025
Cash flows from investing activities			
Proceeds from sale of property and equipment		1	35
Acquisition of property and equipment and intangible asset	21(a)(b)	(6,059)	(2,291)
Net cash used in investing activities		(6,058)	(2,256)
Cash flows from financing activities			
Repayment of loan	28	(378)	(2,233)
Dividends paid to the Company's shareholders	20	(1,512)	(2,880)
Payment of lease liabilities – principal amounts	30(d)	(1,036)	(638)
Net cash used in financing activities		(2,926)	(5,751)
Net decrease in cash and cash equivalents		(1,498)	(982)
Movement in cash and cash equivalent			
Decrease in cash and cash equivalents		(1,498)	(982)
Cash and cash equivalents at 1 January	24	6,719	7,688
Effect of movements in exchange rates on cash held		11	13
Cash and cash equivalents at 1 January to 31 December	24	5,232	6,719

The notes on pages 60 to 99 are an integral part of these financial statements.

NOTES SECTION

INDEX

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 REPORTING ENTITY

Swissport Tanzania Plc is a limited liability Company incorporated under the Companies Act, 2002 and is domiciled in the United Republic of Tanzania. The Company's registered office is at 1st Floor – Swissport Freight Terminal, Julius Nyerere International Airport. The Company shares are listed on the Dar es Salaam Stock Exchange. The Company's principal activities are the provision of airport ground handling and cargo handling services.

2 BASIS OF ACCOUNTING

a) Statement of compliance and basis of measurement

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies Act, 2002. They were authorized for issue by the Company's Board of Directors on 23-5-2024

The financial statements have been prepared on a historical cost basis, except where fair value measurements have been applied. Details of the Company's material accounting policies, including changes thereto, are included in Note 6 and Note 5 respectfully.

b) Going concern

The Company has recognised profit before tax of TShs 5,458 million (2022: TShs 3,962 million) for the year ended 31 December 2023 and, as at that date, current assets exceeded current liabilities by TShs 8,549 million (2022: TShs 7,381 million). The Company projects to continue generating profits in the foreseeable future.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

3 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in the Tanzanian shillings, which is the Company's functional and presentation currency rounded to the nearest Tanzanian million shillings, unless otherwise indicated.

4 USE OF JUDGEMENTS AND ESTIMATES

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reporting amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognized prospectively.

a) Judgements, assumptions, and estimation uncertainties

Information about judgements made in applying accounting policies including estimates and assumptions that have the most significant effects on the amounts recognized in the financial statements and significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Post-employment benefit obligations

Significant assumptions are made by the directors in determining the present value of the retirement benefit obligation as at the balance sheet date. The key assumptions are set out in Note 26 to the financial statements.

4 USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

a) Judgements, assumptions, and estimation uncertainties (CONTINUED)

Taxes

Significant assumptions are required in determining the Company's overall income tax provision. There are many transactions and calculations, for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues, based on estimates of whether additional taxes will be due. When the final outcome of tax matters is different from the amounts that were initially recorded, such differences will have an impact on the current and any deferred income tax provisions in the period in which the determination is made.

Asset useful lives

The useful lives of items of property, plant and equipment as disclosed in Note 6 (j) of these financial statements are estimated annually and are in line with the rate at which they are depreciated.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Going concern

Whether there are material uncertainties that may cast significant doubt on entity's ability to continue as a going concern as disclosed in Note 2 (b) of these financial statements.

Measurement of ECL allowance for trade receivable

The Company estimates expected credit loss by assessing the loss that will be incurred given customer default based on past payment experience and by assessing the probability of default considering information specific to the customer as well as pertaining to the country and economic environment in which the customer operates. The estimate also incorporates forward looking data.

Lease term

In determining the lease term at the commencement date for leases that include renewal options exercisable by the Company, the Company evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Company to exercise the option.

The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Company's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

b) Determination and measurement of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Company.

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

Further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4 USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

b) Determination and measurement of fair values (CONTINUED)

The Company has an established control framework with respect to the measurement of fair value. This includes a management team that monitors need for fair valuation and sources for experts that will perform the valuation.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows;

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

Level 2: inputs other than quoted prices included in Level 1 that are observed for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobserved inputs)

If the input used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Fair value disclosure is made in Note 33 to the financial statements.

5 CHANGES IN MATERIAL ACCOUNTING POLICIES

A number of other new standards listed below are effective for the year ended 31 December 2023, but they do not have a material effect on the Company's financial statements.

New currently effective standards/amendments

- IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

6 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

a) Revenue

The Company applies IFRS 15 in accounting for revenue from contract with customers. The Company recognizes revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be identified in exchange of those services. The Company follows five step model framework in recognition of revenue from contract with customers as follows.

- Identify the contract with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligation in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

As required by IFRS 15, the Company has disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

6 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

a) Revenue (CONTINUED)

Ground handling
Contracts with customers on the ground handling service line do not have variable considerations and have only one performance obligation. Billing and revenue recognition is only done after the discharge of the performance obligation that is turnaround for ground handling.

Cargo handling
Documentation, handling and equipment revenue is recognized once the Company handover the shipping documents to the customer to start custom clearance. Storage revenue for all cargo that is in the warehouse is accrued based on the numbers of days the cargo has stayed in the warehouse net of grace period at applicable rates to the extent that the entity will collect the consideration to which it will be entitled in exchange for the storage services that was provided to the customer.

Lounge business
Revenue from provision of lounge services is recognised when the performance obligation is fulfilled, that is at the point when services have been provided to the customer.

(i) Contract balances
As noted on Note 6(a) above, the Company is in the business of providing ground and cargo handling services. Prices for ground handling services are bundled (but with no variable consideration) whereas prices for cargo handling services are individually identified separately. The whole receivable balance is included under trade and other receivables. The Company does not have obligations to transfer services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer that is conditional.

(ii) Performance obligation and revenue recognition policy
Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. Contracts with customers on the ground handling service line do not have variable considerations and have only one performance obligation. Billing and revenue recognition is only done after the discharge of the performance obligation that is turnaround. On the cargo handling service line, since the Company has pricing for each service provided for and billing is only made upon provision of the service and discharge of performance obligation. The services under the cargo business line have been clearly disaggregated. Storage revenue for all cargo that is in the warehouse is accrued based on the numbers of days the cargo has stayed in the warehouse net of grace period at applicable rates to the extent that the entity will collect the consideration to which it will be entitled in exchange for the storage services that was provided to the customer.

b) Other operating income

Interest income
Interest earned on short-term investments is calculated using the effective interest method and recognized in the profit or loss statement over the investment period as finance income.

Rental income
Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and included in other operating income. Further details have been covered in Note 6 (l)(ii) of these financial statements.

Commissions
When the Company acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognized is the net amount of commission.

Foreign exchange gain and losses
Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss within 'other operating income' or 'other operating expenses'.

6 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

b) Other operating income

Gain or loss on disposal of property, plant and equipment
Gain or losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are recognized within other operating (losses)/income in the profit and loss account.

c) Employees benefits

Short-term employee benefits
The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plan
All of the Company's employees are members of the National Social Security Fund ("NSSF"), which is a defined contribution plan. Law prescribes these plans. The Company and employees both contribute 10% or the Company and employees contribute 15% and 5% of the permanent and pensionable employees' basic salaries to the scheme, respectively. The Company also contributes 10% of non-permanent and pensionable employees' gross salary towards NSSF. The contribution is charged to the profit or loss account when incurred.

Defined benefit plan
The Company has an unfunded non-contributory employee gratuity arrangement for its permanent and pensionable employees (the "Arrangement"), which provides for lump sum payments to its employees on their retirement at the age of between 55 and 60 years or those allowed to retire early or who die while in service, based on length of service and salary at retirement and qualifies as a defined benefit plan. Payments to the retired employees are made from the Company's internally generated funds.

The cost of providing benefits under the defined benefit plan is determined separately for each plan using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income, net of deferred tax.

The past service costs are recognized as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits have already vested, immediately following the introduction of, or changes to, a pension plan, past service costs are recognized immediately. The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefit expense in profit and loss.
The defined benefit liability comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds as explained in Note 26), less past service costs.

Terminal benefits
Terminal benefits are payable whenever an employee`s employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange of these benefits. The Company recognizes terminal benefits when it is constructive obliged to either terminate the employment formal plan without possibility of withdrawal or to provide terminal benefits because of an offer made to encourage voluntary redundancy.

d) Concession fees

The Company has concession agreements with Tanzania Airports Authority for provision of ground handling services at Julius Nyerere and with Kilimanjaro Development Corporation for provision of ground handling services at Kilimanjaro International Airport. The concession fees are charged to the profit or loss account on a straight-line basis over the period of the concessions.

6 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

e) Finance costs

Finance expense comprises of interest expense on loans, Interest on lease liabilities and charge for loan arrangement fees. Interest expense is recognised using the effective interest method.

f) Taxes

Income tax
Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or OCI.

Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. The current rate of corporate tax is 30%.

Current tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

6 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Value added tax

Revenues, expenses, and assets are recognized at amounts net of value added tax except where the value added tax is incurred on a purchase of an asset or service is not recoverable from the taxation authority in which case the value added tax is recognized as part of the cost of acquisition of the asset or part of the expense item as applicable.

The net amount of value added tax recoverable from, or payable to, the tax authority is included as part of the receivables or payables in the balance sheet.

Capital gain taxes

Capital gain taxes arising as result of a change in control at the ultimate Parent Company level are recognized as tax liabilities in Company's books as other payables to revenue Authorities and other receivable from the parent Company

Tax exposures

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

g) Operating profit

Operating profit is a result generated from the continuing principal revenue-producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes.

h) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The Company has three strategic divisions (Ground Handling division, Cargo Services division, and Lounge division), which are its reportable segments. These divisions offer different products and services and are managed separately because they require self-assessment of its performance.

Financial information of the reportable divisions is provided under Note 8 to the financial statements.

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current if it is expected to be realized or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realized within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

6 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

i) Intangible asset

The Company has a 15-year land lease agreement with Tanzania Airport Authority (TAA) for the land measuring 15,000 sqm. The agreement is effective from 25 April 2013 and will expire on 24 March 2028. The agreement requires the Company to build, own and transfer the warehouse to TAA after the expiration of the lease term. The Company completed the construction of the warehouse in June 2016.

The Company reviewed the terms of the agreement and concluded that the arrangement is falling within the scope of IFRIC 12 and therefore accounting the arrangement as intangible asset. The warehouse is measured at cost and amortized over the remaining lease period.

j) Property and equipment

Property, plant, and equipment are tangible assets which the Company holds for its own use or for rental to others and which are expected to be used for more than one year.

Recognition and measurement
Items of equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to the working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Borrowing costs related to the acquisition or construction of qualifying assets are capitalised as incurred.

Subsequent cost
Expenditure incurred subsequently for major services, additions to, major renovations or replacements of parts of property, plant and equipment are recognised in the carrying amount of the item if it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably and are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. All other repairs and maintenance expenditure and day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation
Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is recognised in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful life of each part of an item of equipment. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, as follows:

Description	Years
Leasehold improvements	8
EDP Equipment and software	4
Motorized ground support equipment	10 – 15
Non-motorized ground support equipment	7
Furniture and equipment*	8
Motor vehicles*	4
Fuel and water tank*	8

* These items have been combined as “other assets” in Note 21.

6 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the asset is derecognised.

k) Impairment of non-financial assets
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs to sell, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the profit and loss account in those expense categories consistent with the function of the impaired asset.
For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit and loss account.

l) Leases
At inception of a contract, the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

i. Leases in which the Company is a lessee
At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right of use asset and lease liability at the lease commencement date. The right of use of asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an

6 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right of use asset reflects that the Company will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of the property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determined its incremental borrowing rate by obtaining interest rates from various external financing sources

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period of the Company is reasonably certain to exercise an extension option, and penalties for early termination of lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable, under a residual guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero. The Company presents right of use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets
The Company has elected not to recognize right of use assets and lease liabilities for leases of low value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

COVID-19-related rent concessions
The Company has applied COVID-19-Related Rent Concessions – Amendment to IFRS 16. The Company applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications.

The Company applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Company chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Company assesses whether there is a lease modification.

6 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

For contracts where the Company has chosen to apply the practical expedient, rent waivers granted have been treated as variable lease payments, and therefore a credit has been recognised in the profit and loss account.

ii. Leases in which the Company is a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lese; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right of use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in the IFRS 9 to the new investment in the lease. The Company regularly revises estimated unguaranteed residual values (if any) used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income.

m) Inventories

Inventories are carried at the lower of cost and net realizable value. Cost is determined using the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the open market less applicable selling expenses. Stores and consumables are stated at cost less any provision for obsolescence.

n) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and cash on hand. When they exist, bank overdrafts are presented separately in the statement of financial position.

o) Share capital and equity

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as deduction from the proceeds.

p) Dividend distribution

It is the Company's policy to pay dividends to its shareholders out of profits for the year subject to declaration by the directors and approval by the shareholders. Final dividends distribution to the Company's shareholders is

6 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

recognized as a liability in the Company's balance sheet in the period in which the dividends are approved by the Company's Board of Directors. Directors may from time to time pay interim dividend to members as appear to the directors to be justified by the profit of the Company. Dividends are subject to a withholding tax of 5%.

q) Comparative figures

Where necessary, prior year comparative figures have been reclassified to conform to presentation in the current year.

r) Basic and Diluted earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Company (after deducting interest on the convertible non-cumulative redeemable preferences shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

s) Provisions

Provisions are recognized when: The Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

t) Foreign currencies

Transactions and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Tanzanian Shillings at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss within 'other operating income' or 'other operating expenses'.

u) Financial instruments

i. Recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

6 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

ii. Classification and subsequent measurement

Financial assets
On initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through other comprehensive income (FVOCI - debt investment; FVOCI - equity investment); or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment
The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

6 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

ii. Classification and subsequent measurement (CONTINUED)

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest.
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income. are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method. foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

6 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

iii. Impairment of financial assets and contract assets

An 'expected credit loss' (ECL) model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive.

Loss allowances for trade receivables is measured at an amount equal to lifetime ECLs (simplified approach). Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 30 days for credit customers. The Company considers reasonable and supportable forward-looking information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment. Example of micro economic factors considered include changes in inflation rate, GDP rate and interest rates. In calculation of ECL, the Company uses historical loss rate adjusted with forward-looking information where relevant.

The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised accordance with the requirement of IFRS 9.

iv. Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities
The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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

6 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

v. Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. It is the Company's policy to write off financial assets from Bankruptcy customers subject to Board of Directors' approval. However, financial assets that are written off could still be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

7 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Relevant new standards, amendments and interpretations issued but not yet effective and not early adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2023 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory. The following amended standards and interpretations are not expected to have a significant impact on the Company's finance statements.

Forth Coming standards/amendments	Effective date
▪ Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
▪ Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	1 January 2024
▪ Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024
▪ Lack of Exchangeability – Amendments to IAS 21	1 January 2025
▪ IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
▪ Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely with early adoption option

8 SEGMENT INFORMATION

a) Basis for segmentation

For chief operating decision maker purposes, the Company is organised into business units based on their products and services and has two reportable segments as follows:

- Ground handling services;
- Cargo handling services; and
- Lounge business.

Management reviews the internal management reports of each division at least monthly.

No operating segments have been aggregated to form the reportable operating segments. The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. However, Company financing (including finance costs and finance income) and income taxes are managed on a Company basis and are not allocated to operating segments.

Information related to each reportable segment is set out below. Segment profit(loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

Other than the allocation of costs there are no transactions between the two units. Segment information about the Company's operations is presented below:

2023 **Income and expenses**	Ground handling TShs M	Cargo handling TShs M	Lounge Business TShs M	Total TShs M
Revenue	19,447	19,586	1,488	40,521
Other operating income	154	259	-	413
Staff costs	(10,303)	(4,470)	(27)	(14,800)
Concession fees	(2,137)	(2,209)	(147)	(4,493)
Fuel and maintenance costs	(1,387)	(1,094)	(2)	(2,483)
Depreciation and amortisation	(2,097)	(3,376)	(86)	(5,559)
Rent and other occupancy costs	(233)	(437)	(45)	(715)
Other operating expenses	(2,796)	(3,142)	(1,091)	(7,029)
Finance costs	(185)	(174)	(38)	(397)
Profit before income tax	463	4,943	52	5,458

b) Information about reportable segments and reconciliation to the amounts reported in the balance sheet and profit and loss accounts

2023 **Assets and liabilities**	Ground handling	Cargo handling	Lounge Business	Unallocated	Total
	TShs M	TShs M	TShs M	TShs M	TShs M
Total assets	18,836	23,560	1,088	1,568	**45,052**
Total liabilities	4,389	4,955	35	2,290	**11,669**
Capital expenditure	4,826	1,126	-	107	**6,059**

8 SEGMENT INFORMATION (CONTINUED)

b) Information about reportable segments and reconciliation to the amounts reported in the balance sheet and profit and loss accounts (CONTINUED)

2022 Income and expenses	Ground handling TShs M	Cargo handling TShs M	Lounge Business TShs M	Total TShs M
Revenue	17,408	19,946	527	37,881
Other operating income	166	243	-	409
Staff costs	(9,608)	(4,380)	(13)	(14,001)
Concession fees	(1,941)	(2,231)	(53)	(4,225)
Fuel and maintenance costs	(1,449)	(1,080)	(18)	(2,547)
Depreciation and amortisation	(1,585)	(3,748)	(85)	(5,418)
Rent and other occupancy costs	(175)	(569)	(17)	(761)
Other operating expenses	(2,399)	(3,986)	(480)	(6,865)
Finance costs (excluding interest expense above)	(343)	(130)	(38)	(511)
Profit before income tax	74	4,065	(177)	3,962

2022 Assets and liabilities	Ground handling TShs M	Cargo handling TShs M	Lounge Business TShs M	Unallocated TShs M	Total TShs M
Total assets	19,104	24,159	1,373	529	45,165
Total liabilities	4,985	5,024	53	2,368	12,430
Capital expenditure	733	826	520	235	2,314

Unallocated assets relate to items which are used by both ground handling and cargo handling and cannot be specifically allocated to any of the two segments. These items include motor vehicles, computer hardware and SAP B1 software. Unallocated capital expenditure mainly includes motor vehicle.

c) Geographic information

The Company operates in two main regions in Tanzania being Kilimanjaro International Airport and Julius Nyerere International airport during the year.

The geographic information analyses the Company's revenue, operating costs, and total assets by the Company's area of operation. In presenting the geographic information, segment revenue has been based on customers operations and revenue generated from those customers on the specific geographical location during the year, total operating costs has been based on costs incurred by the Company in provision of ground handling and cargo handling in those specific geographical locations, and segment assets were based on the geographic location of the assets.

GEOGRAPHICAL SEGMENT – 2023

	DAR TShs M	KIA TShs M	TOTAL TShs M
Revenue	33,360	7,161	40,521
Total operating costs (*)	28,342	6,324	34,666
Total assets	41,094	3,958	45,052

8 SEGMENT INFORMATION (CONTINUED)

c) Geographic information (CONTINUED)

GEOGRAPHICAL SEGMENT – 2022

	DAR TShs M	KIA TShs M	TOTAL TShs M
Revenue	34,093	3,788	37,881
Total operating costs (*)	30,087	3,321	33,408
Total assets	40,648	3,854	44,502

(*) Total operating cost is presented net of other operating income.

9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise of trade payables and borrowings. The Company does not enter into derivative transactions for trading purposes. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables and cash and cash equivalents, which arise directly from its operations.

The Company's activities expose it to a variety of financial risks, foreign currency, credit and liquidity risks. The Company's overall risk management programme seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the management on behalf of the Board of Directors. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency mostly US dollars, British Pounds and EURO).

The Company manages its foreign exchange risk by forecasting the number of foreign currencies they require and hold an equivalent amount in foreign currencies (US dollar and EURO). As at 31 December 2023, the balances denominated in foreign currencies were as Shown on the table below:

	2023		2022	
Balances denominated in foreign currencies	TShs M USD	TShs M EUR	TShs M USD	TShs M EUR
Cash and bank balances	2,976	354	3,450	958
Trade and other receivables	3,507	278	2,047	102
Loan / borrowings	-	-	(378)	-
Trade and other payables	(670)	(4)	(710)	(69)
Lease liabilities	(613)	-	(684)	-
Net exposure	5,200	628	3,725	991

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar and Euro exchange rates, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and monetary liabilities).

9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk (CONTINUED)

Foreign currency sensitivity (CONTINUED)

The Company's exposure to foreign currency changes for all other currencies is not material.

	Effect on profit before tax		Effect on equity	
	Strengthening TShs M	Weakening TShs M	Strengthening TShs M	Weakening TShs M
2023				
USD (10% movement)	520	(520)	364	(364)
EUR (10% movement)	63	(63)	44	(44)
2022				
USD (10% movement)	373	(373)	261	(261)
EUR (10% movement)	99	(99)	69	(69)

Interest rate risk

In broad terms the interest rate risk is the risk that concerns the sensitivity of the Company's financial performance to changes in the interest rates.

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts. Risk management activities are aimed at optimizing net interest income, given market interest rates levels consistent with the Company' s business strategies to minimise interest risk. The Company had no exposure to interest rate risks as at 31 December 2023 since the interest from the intercompany loan is fixed and the amount is fully repaid (2022: same loan from intercompany that has been roll forwarded to 2023).

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding. The Company aims at maintaining flexibility in funding and aggressive collection efforts in respect of trade debtor's balances. Management monitors rolling forecasts of the Company's liquidity i.e., cash at bank and in hand (note 24) on the basis of expected cash flows.

Forecasted liquidity reserves as extracted from short and medium-term future budget of Company as at 31 December 2024 is as follows:

	2024 TShs M
At 1 January	5,232
Operating activities	8,663
Investing activities	(7,312)
Financing activities	(1,788)
Total	4,795

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their fair values as the impact of discounting is not significant. For borrowing its interest rate is approximate the market rate.

9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (CONTINUED)

	Carrying amount TShs M	Un-discounted contractual cash flows TShs M	Less than 1 year TShs M	1 - 2 years TShs M	2- 5 years TShs M
At 31 December 2023					
Lease liabilities	2,265	4,613	530	986	3,097
Trade and other payables(*)	5,720	5,720	5,720	-	-
	7,985	10,333	6,250	986	3,097

	Carrying amount TShs M	Un-discounted contractual cash flows TShs M	Less than 1 year TShs M	1 - 2 years TShs M	2- 5 years TShs M
At 31 December 2022					
Lease liabilities	3,165	4,227	433	965	2,829
Trade and other payables (*)	6,749	6,749	6,749	-	-
Related party loan	378	381	381	-	-
	10,292	11,357	7,563	965	2,829

(*) Excludes other tax payable.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company extension of credit to its customers. For risk management reporting purposes, the Company considers all elements of credit risk exposure such as individual obligator default risk, nature of customer and sector risk.

The carrying amount of financial assets represents the maximum credit exposure. The table below summaries the maximum credit exposure as at the reporting date.

	2023 TShs M	2022 TShs M
Trade and other receivables including staff loan (Note 23)	8,343	5,488
Cash and cash equivalents (Note 24)	5,221	6,706
At 31 December	13,564	12,194

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Details of concentration of revenue are included in note 10.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 30 days for credit customers.

9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (CONTINUED)

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	2023 TShs M	2022 TShs M
Opening balance	495	495
Net re-measurement of loss allowance	32	-
Closing balance	527	495

As at 31 December 2023, no trade receivables (2022: TShs Nil) were individually (specifically) impaired and provided for. The individually impaired receivables mainly relate to customers, who are in unexpectedly difficult economic situations.

The allowance for credit impairment has been calculated in line with the Company's provisioning policy as described under Note 6 (u)(iii).

The following table provides information about the exposure to credit risk and Expected Credit Losses (ECLs) based on the aging analysis of trade receivables:

2023	Gross TShs M	Impairment TShs M	Net TShs M	Loss rate %
Current (not past due)	4,590	-	4,590	0
31 to 60 days	767	(10)	757	1
61 to 90 days	608	(9)	599	1
91 to122 days	191	(3)	188	2
Over 181 days	373	(201)	172	54
Specifically provided	304	(304)	-	100
Closing balance (note 23)	6,833	(527)	6,306	

2022	Gross TShs M	Impairment TShs M	Net TShs M	Loss rate %
Current (not past due)	2,417	-	2,417	0
31 to 60 days	484	-	484	0
61 to 90 days	520	-	520	0
91 to122 days	126	-	126	0
Over 181 days	227	(191)	36	84
Specifically provided	304	(304)	-	100
Closing balance (Note 23)	4,078	(495)	3,583	

Strategic, Commercial, operational and financial risks

Through its risk management system, the Company identified strategic, commercial, operational and financial risks that faces the Company and implement strategies to mitigate the impact of the identified risks. These risks are mitigated by either establishing controls, meeting and discussing issues with customers, improving service delivery, investing and training of staff. These risks are well mitigated and have no significant impact to the financial performance of the Company.

9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value.

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

No changes were made in the objectives policies or processes during the years ended 31 December 2023 and 31 December 2022. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt (*). As of 31 December 2023, the Company had a gearing ratio of 0% (2022: 1.2%).

(*) Net Debt includes the outstanding loan balance from Swissport International

10 REVENUE

a) Revenue streams

The Company's generates revenue primarily from ground handling and cargo handling as shown below

Revenue from contract with customers	2023 TShs M	2022 TShs M
Ground handling	19,447	17,408
Cargo handling	19,586	19,946
Lounge Business	1,488	527
Total revenue	40,521	37,881

b) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market and major service lines. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments. For more details, see segment reporting on Note 8 of these financial statements. Revenue recognition criteria for each stream has been detailed on section 6 (a) of significant accounting policies within these financial statements.

	Major Service Line					
Primary geographical markets	**Ground Handling**		**Cargo handling**		**Lounge Business**	
	2023 TShs M	2022 TShs M	2023 TShs M	2022 TShs M	2023 TShs M	2022 TShs M
Kilimanjaro International Airport	4,010	3,435	1,663	1,325	1,488	527
Julius Nyerere International Airport	15,437	13,973	17,923	18,621	-	-
Total revenue	19,447	17,408	19,586	19,946	1,488	527

c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

10 REVENUE (CONTINUED)

c) Contract balances (CONTINUED)

	2023 TShs M	2022 TShs M
Receivables, which are included in 'trade and other receivables'	6,833	4,078
Contract assets (included in deposits and other receivables – note 23)	264	197
Contract liabilities (included in other payables – note 27)	53	126

The contract liabilities primarily relate to the advance consideration received from the customers from uncleared cargo consignment and rental initial deposits upon commencement of the contract. This will be recognized as revenue wen the consignments are cleared by the customers.

The contract assets primarily relate to the Company's rights to consideration for cargo received but not billed as at reporting date. The contract assets were not impacted by impairment charges during the period. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer.

11 OTHER OPERATING INCOME

	2023 TShs M	2022 TShs M
Rental income	236	189
Commission on freight charges	73	12
Income from Training Centre	142	165
Gain on sale of property, plant, and equipment	1	35
Foreign exchange gain	(39)	8
	413	409

12 CONCESSION FEES

Concession fees – Tanzania Airports Authority	3,787	3,696
Concession fees – Kilimanjaro Airport Development Company	706	529
	4,493	4,225

Concession fees are paid to Tanzania Airports Authority (TAA) and Kilimanjaro Airport Development Company (KADCO). Concession fee at JNIA is charged at TShs 400,000,000 + 10% of the ground and cargo handling revenue earned per year at while for KIA is 10% of the total revenue earned.

13 STAFF COSTS

	2023 TShs M	2022 TShs M
Salaries and wages	9,405	8,952
Pension cost – defined contribution plans	1,078	1,065
Pension cost – defined benefit plan	209	244
Other staff costs	4,108	3,740
	14,800	14,001

14 OTHER OPERATING EXPENSES

	2023 TShs M	2022 TShs M
Telecommunication and internet charges	293	345
IT and other information processing services	1,638	2,207
Trademark fee	718	504
Purchase of ground services	1,027	364
Insurance	624	573
Travel and transportation	181	165
Office supplies and printing costs	554	539
Legal and consultancy fees	349	499
Advertising and publicity	103	109
Cleaning material costs	385	419
Auditor's remuneration	150	148
Director's emoluments	83	98
Bank charges	76	176
Other taxes	192	191
Other administration expenses*	624	528
	6,997	6,865

* Included in other administrative expenses are:

	2023 TShs M	2022 TShs M
Membership, subscriptions, and licensing fees	165	81
Donation and CSR activities	58	79
Training center costs	86	112
General listing expenses	71	52
Other expenses	244	204
	624	528

15 FUEL AND MAINTENANCE COSTS

	2023 TShs M	2022 TShs M
Fuel – Ground support equipment	974	828
Maintenance – Ground support equipment	875	964
Maintenance – Motor vehicles	86	223
Maintenance – Others	548	532
	2,483	2,547

16 RENT AND OTHER OCCUPANCY COSTS

	2023 TShs M	2022 TShs M
Rent small value – JNIA (Note 30(c))	286	274
Rent small value – KIA (Note 30(c))	160	81
Utility charges	269	406
	715	761

17 INCOME TAX EXPENSE

a) Amount recognized in profit or loss

Current tax expense	2023 TShs M	2022 TShs M
Current year	1,201	-
Current year tax charge related to prior years	(48)	-
	1,153	-

Deferred tax expense	2023 TShs M	2022 TShs M
Origination and reversal of temporary differences	(1)	(466)
Recognition of tax losses	610	1,810
Recognition of previously unrecognized deductible temporary differences	-	12
	609	1,356
Tax charge/(credit) on continuing operations	1,762	1,356

b) Amount recognized in OCI

Items that will not be reclassified to Profit or loss

	2023 - TShs M			2022 - TShs M		
	Before tax	Tax expense	Net of tax	Before tax	Tax credit	Net of tax
Remeasurements of defined benefit liability (Note 26)	16	(5)	11	(181)	54	127
	16	(5)	11	(181)	54	127

c) Reconciliation of effective tax rate

The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the basic tax rates as follows:

	2023 TShs M	2022 TShs M
Profit before tax from continuing operations	5,458	3,962
Tax charge	1,762	1,356
Effective rate	32.3%	34.2%

17 INCOME TAX EXPENSE (CONTINUED)

c) Reconciliation of effective tax rate (CONTINUED)

	2023		2022	
	Tax amount	Rate	Tax amount	Rate
Standard tax on current year profit	1,637	30%	1,189	30.00%
Tax effect on:				
Depreciation on non-qualifying assets	1	0.02%	2	0.05%
Expenditure permanently disallowed	172	3.15%	159	4.01%
Other adjustments			(1)	(0.01%)
Profit on sale of non-qualifying assets			(5)	(0.13%)
(Over) / under provision of tax for earlier years:				
Corporation tax	(48)	(0.88%)	-	0.00%
Deferred tax	(1)	(0.02%)	12	0.30%
Effective tax amount and rate reconciled	1,762	32.28%	1,356	34.22%

d) Income tax recoverable

	2023 TShs M	2022 TShs M
At 01 January	1,983	1,983
Tax expense	(1,153)	-
Tax paid	1,227	-
Tax refund*	(1,412)	-
WHT utilised	243	-
At 31 December	888	1,983

* Relates to prior year overpaid corporate tax.

18 DEFERRED TAX LIABILITY

Movement in deferred tax balances

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2023 TShs M	2022 TShs M
Accelerated capital allowance	(1,678)	(1,869)
Other provisions charged to reserve	39	44
Provisions	458	561
Losses	-	697
Net deferred income tax liability	(1,181)	(567)
The gross movement on the deferred income tax accounts is as follows:		
At 1 January	(567)	735
Charge to the profit or loss statement - Note 17(a)	(609)	(1,356)
(Charge) / credit to the other comprehensive income (OCI)	(5)	54
At 31 December	(1,181)	(567)

19 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. The calculation is based on:

	2023	2022
Attributable profit/(loss) to ordinary shareholders – TShs	3,696,000,000	2,606,000,000
	Number	Number
Weighted average number of ordinary shares	36,000,000	36,000,000
Basic earnings per share - TShs	102.7	72.4

Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Company (after deducting interest on the convertible non-cumulative redeemable preferences shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	2023	2022
Attributable loss/profit to ordinary shareholders – TShs	3,696,000,000	2,606,000,000
	Number	Number
Weighted average number of ordinary shares	36,000,000	36,000,000
Diluted earnings per share – TShs	102.7	72.4

20 DIVIDENDS

	2023 TShs M	2022 TShs M
Dividend *	1,512	1,073

* The directors propose payment of dividend of TShs 51.3 per share (2022 – TShs 41.8 per share), amounting to TShs 1,848 million out of 2023 profit (2022 – TShs 1,504 million). The proposed dividend has not been recognised as a distribution during the year; Dividends are not accounted until they have been ratified by the Annual General Meeting. Dividends are subjected to a withholding tax of 5%.

The actual cash paid during the year was TShs 1,512 million (2022 – TShs 2,880 million) for both Swissport International Ltd and local shareholders.

The movement in dividends (excluding unclaimed dividend) during the year is as follows:

	2023 TShs M	2022 TShs M
Dividend payable 1 January	-	1,807
Dividend declared	1,512	1,073
Paid during the year	(1,512)	(2,880)
Dividend payable on 31 December (excluding unclaimed dividend) – Note 27	-	-

21 (A) PROPERTY AND EQUIPMENT

2022	Capital work in progress TShs M	Leasehold property improvements TShs M	EDP hardware & equipment TShs M	Motorized equipment TShs M	Non-motorized equipment TShs M	Other assets TShs M	Total TShs M
Cost							
At 1 January 2022	1,225	4,469	557	22,113	5,110	2,793	36,267
Additions	152	286	515	249	504	57	1,763
Transfer in/(out)*	(1,377)	1,377	-	-	-	-	-
Write offs/ disposals	-	-	(440)	-	(87)	(176)	(703)
At 31 December 2022	-	6,132	632	22,362	5,527	2,674	37,327
Depreciation							
At 1 January 2022	-	2,189	384	11,218	4,472	2,502	20,765
Charge for the year	-	507	97	1,504	199	131	2,438
Write offs/ disposals	-	-	(440)	-	(87)	(176)	(703)
At 31 December 2022	-	2,696	41	12,722	4,584	2,457	22,500
Net book value							
At 31 December 2022	-	3,436	591	9,640	943	217	14,827

There is no impairment loss relating to property and equipment recognised in the financial statements. Additionally, no assets have been pledged as security to lenders.

*Transfer in/out balance contain TShs 1,377 million for the Lounge Business. The same were capitalized in 2022 and they have been presented under 'Leasehold property improvements' in the above table.

21 (A) PROPERTY AND EQUIPMENT (CONTINUED)

2023	Capital work in progress	Leasehold property improvements	EDP hardware & equipment	Motorized equipment	Non-motorized equipment	Other assets	Total
	TShs M	TShs M	TShs M	TShs M	TShs M	TShs M	TShs M
Cost							
At 1 January 2023	-	6,132	632	22,362	5,527	2,674	37,327
Additions	519	908	288	2,860	1,200	142	5,917
Transfer in/(out)*	-	-	-	-	-	-	-
Write offs/ disposals	-	-	-	-	-	-	-
At 31 December 2023	519	7,040	920	25,222	6,727	2,816	43,244
Depreciation							
At 1 January 2023	-	2,696	41	12,722	4,584	2,457	22,500
Charge for the year		601	166	1,500	470	82	2,819
Write offs/ disposals	-	-	-	-	-	-	-
At 31 December 2023	-	3,297	207	14,222	5,054	2,539	25,319
Net book value							
At 31 December 2023	519	3,743	713	11,000	1,673	277	17,925

There is no impairment loss relating to property and equipment recognised in the financial statements.

21 (B) INTANGIBLE ASSET

	2023 TShs M	2022 TShs M
Intangible asset (IFRIC 12) under construction		
Cost		
At January	25,793	25,265
Additions	142	528
At December	25,935	25,793
Accumulated amortisation:		
At January	14,893	12,640
Charge for the year	2,008	2,253
At December	16,901	14,893
Net book value as at the end of the year	9,034	10,900

On 25 April 2013, the Company entered into a land lease agreement with Tanzania Airports Authority. The agreement is for the lease of land measuring 15,000 square meters for the period of 15 years from the date of the last signing of the agreement, which was 25 April 2013. The Company is paying annual land lease of US$ 118,500 (US$ 7.9/sqm).

As per the lease agreement the Company was required to construct an import warehouse under the Built Own and Transfer terms (BOT). Meaning that after the expiration of 15 years period from 25 April 2013 the constructed warehouse will be transferred and be legally owned by the Tanzania Airports Authority.

The construction of the asset was completed in June 2016 and commenced amortization soon after the construction was completed and handed over to the Company ready for use.

The asset is accounted for as intangible assets as it meets criteria stipulated under IFRIC 12 *Service Concession Arrangements*, which are:

- The grantor controls or regulates services offered by the Company, to whom it has to provide the service (general public) and the prices at which the services are charged; and
- The grantor will control through ownership a significant residual interest in the building at the expiry of the remaining lease period.

The Company does not have the right to receive any consideration for construction services of the warehouse from the Tanzania Airports Authority.

22 INVENTORIES

	2023 TShs M	2022 TShs M
Spare parts	243	417
Stationery	99	80
Cleaning materials	19	32
Fuel	75	71
Uniforms	50	86
	486	686

Inventories are not pledged as security.

In 2023, inventories of TShs 3,135 million (2022: TShs 1,951 million) were recognised as an expense during the year and included in operating expenses.

23 TRADE AND OTHER RECEIVABLES

	2023 TShs M	2022 TShs M
Trade receivables	6,833	4,078
Less: Credit impairment	(527)	(495)
Trade receivables – net	6,306	3,583
Prepayments	770	870
Deposits and other receivables	1,148	1,127
Staff receivables - short term	552	363
Staff car loans (1)	168	151
	8,944	6,094

Trade receivables are non-interest bearing and are generally on 30-day terms.

(1) The staff car loans exclude TShs 169 million (2022: TShs 264 million) receivable after 1 year.

Movement on the credit impairment of trade receivables is as follows:

	2023 TShs M	2022 TShs M
At 1 January	495	495
Charge for the year	32	-
At 31 December	527	495

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

	2023 TShs M	2022 TShs M
US dollars	3,507	2,047
Tanzanian shillings	3,048	1,929
Euro	278	102
	6,833	4,078

Information about the Company's exposure to credit and market risks, and impairment losses for trade receivables is included in Note 9.

24 CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, the year-end cash and cash equivalents comprise:	2023 TShs M	2022 TShs M
Cash at bank	5,221	6,706
Cash on hand	11	13
	5,232	6,719

25 SHARE CAPITAL

Authorised:	TShs M	TShs M
50,000,000 Ordinary shares of TShs 10 each	500	500
Issued and fully paid:		
36,000,000 Ordinary shares of TShs 10 each	360	360
The issued shares were held as follows: -		
Swissport International Ltd. (a foreign shareholder) – 51%	184	184
Other shareholders – 49%	176	176
	360	360

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

26 RETIREMENT BENEFIT OBLIGATIONS

	2023 TShs M	2022 TShs M
As at 1 January	1,914	1,666
Current service cost	56	56
Interest cost (discount unwinding)	135	190
Actuarial loss/(gain) [1]	(16)	181
Benefits paid during the year	(337)	(179)
Curtailments	-	-
As at 31 December	1,752	1,914

The Company has an unfunded non-contributory employee gratuity arrangement for permanent and pensionable employees (the "Arrangement") which provides for lump sum payments to its employees on their retirement at the age of between 55 and 60 years or those allowed to retire early or those who die while in employment, based on length of service and salary at retirement and qualifies as a defined benefit plan. A firm of professional actuaries, Muhanna & Co Actuaries and Consultants, carried out the actuarial valuation of the Arrangement as of 31 December 2023 using the Projected Unit Credit Method.

As at 31 December 2023 the present value of the accrued (past service) liability in respect of retirement gratuity benefits was TShs 1,752 million (2022: TShs 1,914 million). The principal assumptions used in the actuarial valuation are:

(i) Discount rate of 10% (2022 – 10%)
(ii) Rate of salary escalation of 4.5% (2022 – 4.5%)
(iii) Retirement age 60 years (2022 – 60 years)

26 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The 'notional' Company contribution rate to meet the cost of future accrual of gratuity benefits is estimated at 4% of salaries per annum (2022: 4%). The next valuation is due on 31 December 2024. The 3-year trend of this non-contributory employee gratuity arrangement is as follows:

	2023 TShs M	2022 TShs M	2021 TShs M
Present value of the defined benefit obligation	1,752	1,914	1,666

(1) Re-measurements of the net defined benefit liability (asset) are recognised in OCI and are not reclassified to profit or loss in a subsequent period. However, the Company may transfer cumulative amounts recognised through OCI to another component of equity.

The amounts recognised in the profit and loss account are as follows:

	2023 TShs M	2022 TShs M
Current service cost	56	56
Interest cost (discount unwinding)	135	190
Total, included in staff costs (Note 13)	191	246

The arrangement provides benefits of a defined nature (i.e., salary and service related). One of the main risks relating to the benefits under the arrangement is the rate of salary growth. As the benefits are based on the final salary, any changes in salary that differ from the salary escalation rate assumed will have a direct bearing on the benefits paid under the arrangement. In addition, the benefits are not payable on voluntary termination or resignation. The Company's experience with respect of these withdrawals will also impact the benefits payable under the arrangement, when compared to the assumption made regarding withdrawals.

Sensitivity of the results

Changing parameter	Baseline	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Discount rate	10%	10.5%	9.5%	10%	10%
Inflation rate	4%	4%	4%	4.5%	3.5%

	Baseline Tshs M	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Actuarial liability	1,752	1,725	1.778	1,781	1,722
Service cost	7.6%	7.5%	7.7%	7.7%	7.5%

The arrangement is unfunded, and the Company pays benefits from general revenues as and when they arise. The timing of the benefit payments from the arrangement will be influenced by the age at which employees retire from the Company.

The weighted average duration of the liability as at 31 December 2023 is 6.45 years (2022 – 6.45 years).

Retirement contribution plan

	2023 TShs M	2022 TShs M
Contributions to NSSF	1,078	1,065
Total	1,078	1,065

27 TRADE AND OTHER PAYABLES

	2023 TShs M	2022 TShs M
Airport Authorities – Concession fees	515	818
Trade payable	1,006	650
Payable to a related party – other payable (Note 29)	476	646
Bonus payables	713	632
Dividend payable – unclaimed dividend*	2,312	2,368
Other tax payable	751	541
Other payables	698	1,635
	6,471	7,290

* Unclaimed dividends consist of dividend paid by the Company but not collected by the shareholders and therefore the cash was returned to the Company.

- Trade payables are non-interest bearing and are normally settled between 15 to 45 days after date of invoice. All trade and other payables are current.
- Other payables are non-interest bearing and have an average credit term of 30 days; and
- For terms and conditions relating to related party transactions, refer to Note 30.
- For the purpose of cash flows, the movement on dividend payable to related party is excluded.

28 LOAN AND BORROWING

	2023 TShs M	2022 TShs M
Loan movement		
As at 1 January	378	2,611
Repayment of loan	(378)	(2,233)
Interest cost [(1)]	4	124
Interest paid	(4)	(124)
	-	378

[(1)] As disclosed in Note 31, interest cost is disclosed as finance cost (a separate item in the statement of profit or loss and other comprehensive income).

Loan classification

	2023 TShs M	2022 TShs M
Current portion	-	378

In November 2020, Swissport Tanzania Plc received a loan from Swissport International for 2 years and 3 months with an interest rate margin of 7.5%, with principal repayments commencing on 1 February 2021. The loan is denominated in US$ and it is unsecured against cession of books debts. The loan has been fully paid as at the year end.

29 RELATED PARTY DISCLOSURES

Balances and transactions with the related companies

The Company's parent Company is Swissport International Ltd. ("SPI") a major shareholder of the Company. Other than recharges for the use of Cargospot, FindNet, FSC, World tracer, Uniform tool, SPASS+, and Infraport systems, travel and IT support recharges and insurance recharges, the Company did not enter into significant transactions with Swissport International Ltd.

The following are the transactions between the Company and its related party, Swissport International Ltd.

		2023 TShs M	2022 TShs M
(a)	BIC and IT systems charges	1,311	1,879
(b)	Trademark fees	718	504
(c)	Insurance recharge	123	60
(d)	Procurement Services Recharge	100	83
(e)	Interest on Intercompany	4	124
		2,256	2,650

Transactions with key management personnel
Key management personnel are described as those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, comprising senior management.

Compensation to key management personnel:

	2023 TShs M	2022 TShs M
Salaries and short-term benefits	2,273	2,064
Post-employment retirement benefits	768	761
	3,041	2,825

The details of the performance guarantee issued in favour of the Company through Swissport International Ltd are disclosed in Note 32 of the financial statements.

	2023 TShs M	2022 TShs M
Payable to a related party (*)		
Swissport International Ltd.		
Trade payable	476	646
Dividend payable to SPI	-	-
Total dividend and other payable	476	646
Intercompany Loan and Interest	-	378
	476	1,024

(*) Swissport International has confirmed its intention not to demand payment in satisfaction of the liability at least for the next 12 months from date of approval of these financial statements.

The total remuneration paid to individual directors, which comprised directors' fees and sitting allowances were as follows:

29 RELATED PARTY DISCLOSURES (CONTINUED)

	2023 TShs M	2022 TShs M
Current Directors (*)		
Mr Raymond P Mbilinyi	33	28
Mr Charles Kimei	33	28
	66	56

(*) Director's representing Swissport International Ltd are not entitled to any director allowances and remunerations.

30 LEASES

i. Leases as lessee

Information about leases for which the Company is a lessee is presented below.

a) Lease liabilities

Lease liability classification	2023 TShs M	2022 TShs M
Current portion	530	433
Non-current portion	1,735	2,732
	2,265	3,165

b) Right-of-use assets

	Buildings	
	2023 TShs M	2022 TShs M
Cost		
Balance at 1 January	3,029	2,098
Additions	-	-
Lease modification	77	1,658
Depreciation	(732)	(727)
Balance as at 31 December	2,374	3,029

c) Amounts recognised in the statement of profit or loss

Leases under IFRS 16	2023 TShs	2022 TShs M
Interest on lease liabilities	393	387
Expenses relating to short-term leases*	572	411
Rent small value – JNIA and KIA (note 15)	446	355

* During the year the Company leased staff buses from Travel partner limited. The hired transport was assessed to be short term lease.

30 LEASES (CONTINUED)

d) Amounts recognised in statement of cash flows

	2023 TShs M	2022 TShs M
Within operating cash flows (interest on lease liabilities)	393	387
Within financing cash flows (payment of principal lease liabilities)	1,036	638

e) Extension options

As stated in Note 4 (a), the Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The Company has considered extension options in the available contracts to arrive at present lease liability of TShs 2.2 billion (TShs 3.17 billion).

ii) Leases as lessor

Operating leases
The Company leases out its buildings to other parties, consisting of offices in new cargo warehouse facility. The leases are classified as operating leases from a lessor perspective.

The Company has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 6 (l) sets out information about the operating leases of building properties.

Rental income recognised by the Company during 2023 was TShs 236 million (2022: TShs 189 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

2023 – Operating leases	TShs M
Less than one year	236
Between one and five years	99
More than five years	-
Total	335

2022 – Operating leases	TShs M
Less than one year	230
Between one and five years	86
More than five years	-
Total	316

31 FINANCE COSTS

Finance costs comprise of interest on lease liability and interest on borrowings

	2023 TShs M	2022 TShs M
Interest on lease liabilities - Note 30(c)	393	387
Interest on loan (Note 28)	4	124
	397	511

32 COMMITMENTS AND CONTINGENCIES

Capital commitments

At 31 December, the Company had the following capital commitments:

	2023 TShs M	2022 TShs M
Approved and contracted for	906	1,992
Approved but not contracted	1,260	1,911

Legal claims contingency

As at 31 December 2023, the Company was a defendant in several lawsuits. The plaintiffs are claiming damages and interest thereon for the loss caused by the Company due to breach of contracts, unlawful termination of employment and staff retrenchment exercise. The Company has filed counterclaims against the plaintiffs. The total principal amount claimed in the various lawsuits approximates TShs 366 million (2022: TShs 696 million). In the opinion of the Directors and Company's Legal Counsel, no material liabilities are expected to crystallize from these lawsuits.

Guarantee

The Company entered into a five years concession agreement with Tanzania Airports Authority (TAA) on 1 May 2020 for the provision of ground handling services at Julius Nyerere International Airport (JNIA). TAA required the Company to provide on demand a performance guarantee for US$ 50,000 to secure the due and punctual performance of, and full compliance with, its obligation under the concession agreement.

The performance guarantee of US$ 50,000 was issued on 27 October 2020 by Barclays Bank Plc, Trade Operations, One Snow Hill Queensway, Birmingham, B4 6GN.UK. through Swissport International Ltd. The guarantee expired on 31 October 2022. However, in the event that the term of the concession is extended the validity of this guarantee was automatically extended without the necessity of notifying the issuing authority.

33 FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and approximate fair value of the Company's financial instruments not measured at fair value:

	Carrying amount		Approximate Fair value	
	2023 TShs M	2022 TShs M	2023 TShs M	2022 TShs M
Applicable assets				
Trade and other receivables (1)	8,343	5,488	8,343	5,488
Cash and cash equivalents	5,232	6,719	5,232	6,719
Applicable liabilities				
Trade and other payables (2)	5,720	6,749	5,720	6,749
Related party loan	-	378	-	378

(1) Financial assets included are trade receivables, staff receivables, revolving fund and staff car loans as depicted in Note 23.

(2) Financial liabilities included are concession fees payable, sundry payable and due to related party as depicted in Note 27.

33 FAIR VALUES (CONTINUED)

The management assessed those fair values of cash and cash equivalents, trade and other receivables, trade and other payables approximate their carrying amounts largely due to short-term maturities of these instruments. Borrowing have interest rate approximating to the market rate.

34 ULTIMATE HOLDING COMPANY

51% of the Company's ordinary shares are owned by Swissport International Ltd. while the remaining 49% of Company's ordinary shares are owned by the general public through the Dar es Salaam Stock Exchange. The ultimate shareholders of Swissport International Ltd are investors individually holding each less than 25% of its shares.

35 SUBSEQUENT EVENTS

At the date of signing the financial statements, the Directors are not aware of any other matter or circumstance arising since the date of the end of the reporting period, not otherwise dealt in these financial statements, which significantly affected the financial position of the Company and results of its operations

TWIGA LOUNGE

5

THE ULTIMATE TRAVEL EXPERIENCE:

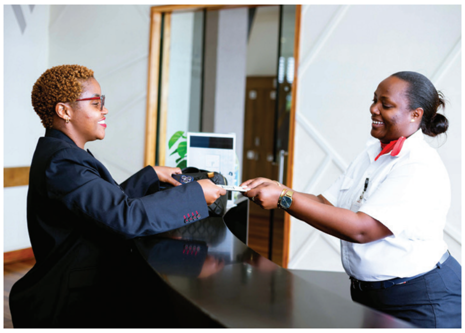
TWIGA LOUNGE BY ASPIRE AT KILIMANJARO INTERNATIONAL AIRPORT

Welcome to the Twiga Lounge by Aspire, where luxury meets functionality. Our lounge at Kilimanjaro International Airport offers a serene escape from the bustling terminal. Designed for both premium and regular passengers, we ensure every traveler enjoys unparalleled comfort, exquisite dining, and exceptional service.

At Twiga Lounge by Aspire, we redefine airport luxury with two distinct lounges. The Twiga Business Lounge caters exclusively to premium and airline passengers, offering an all-inclusive experience. Meanwhile, the Twiga Comfort Lounge welcomes all travelers who pay for access, providing a menu of delectable food and beverages.

Our Business Lounge is an oasis of calm, featuring relaxing chairs with integrated charging points, stunning views, and flexible dining options. Guests can enjoy a wide array of local and international cuisine, crafted to enhance their travel experience. Our bag storage facilities are perfect for those wishing to explore duty-free shopping or use the bathroom.

The Comfort Lounge offers a homely atmosphere with comfortable seating and dedicated zones for relaxation. The dining and bar area serves a variety of beverages, accommodating dietary preferences such as gluten-free, vegetarian, and halal. Families can unwind in the dedicated kids' play area, making the Twiga Lounge a haven for all travelers.




Twiga
Pop-up pioneer

Swissport Core values

Win as a team

Do the right things

Show you care

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