From Landing to Take-off: We Care!

SWISSPORT TANZANIA PLC

ANNUAL REPORT 2021

swissport

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CONTENTS

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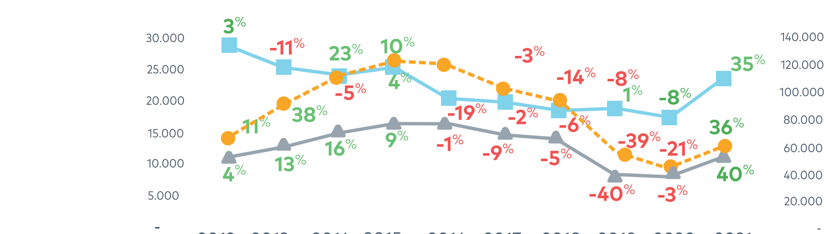
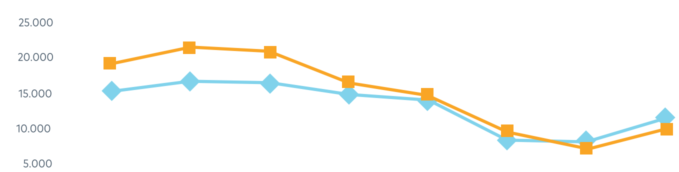
FINANCIAL SUMMARY AND PRODUCTION TRENDS

PRODUCTION TREND



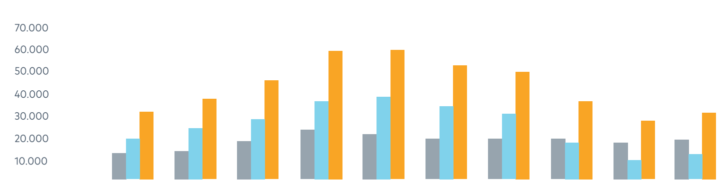
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Gross flights	11.590	13.098	15.225	16.534	16.299	14.792	14.051	8.421	8.201	11.444
Gargo (tons)	28.354	25.126	23.908	24.874	20.145	19.676	18.551	18.779	17.354	23.448
Passengers ('0')	65.707	90.535	111.11	121,83	118.35	101.32	92.845	56.864	44.970	60.953

GROSS VS WEIGHTED FLIGHTS



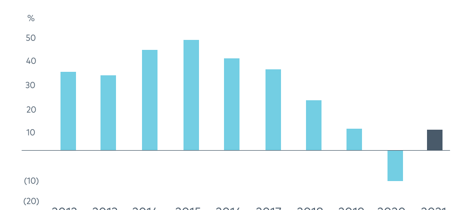
	2014	2015	2016	2017	2018	2019	2020	2021
Gross flights	15,225	16,534	16,299	14,792	14,051	8.421	8.201	11.444
Weighted Flights	19,058	21,402	20,872	16,406	14.621	9,523	7,384	9,965

REVENUE TREND



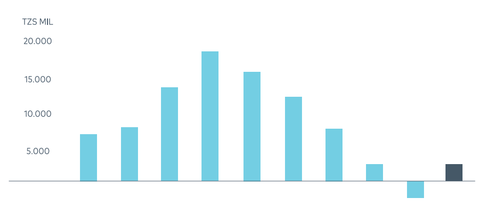
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Cargo	11.900	12.946	17.318	22.195	20.277	18.436	18.690	18.495	16.972	18.247
Ground handling	18.525	23.278	27.271	35.161	37.225	32.657	29.524	16.951	9,447	11.918
Total	30.425	36.224	44.589	57.356	57.502	51.093	48.214	35.446	25.419	30.165

EBIT MARGIN TREND



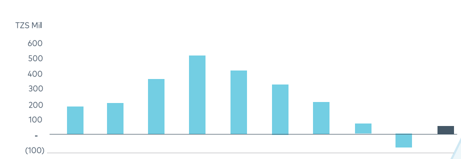
2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
32	32	42	46	38	33	21	10	- 12	9

PROFIT/LOSS AFTER TAXATION



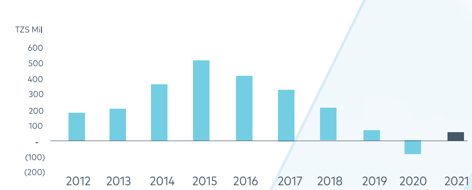
2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
6.723	7.496	12.937	18.137	15.232	11.934	7.459	2.311	(2.587)	2,146

EARNINGS PER SHARE

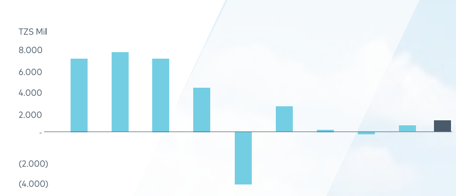


2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
167	208	359	504	423	332	207	64	(72)	60

DIVIDEND PER SHARE



NET CURRENT ASSET/LIABILITY



2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
7.249	7.774	7.315	4.297	(5.375)	2.389	104	(296)	678	1.646

CURRENT DIRECTORS' PROFILE

Dirk Goovaerts
Chairman of the Board

Belgium, Age 59

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 Ltd. 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, CPA(K)
Non-Executive Director
MBA. Accounting and Finance

Kenyan, Age 37

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 69

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 Domestics Division Research Department and Manager Economic Research and Policy. He serves on various boards 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 57

Mr. Mbilinyi is the Chairman & CEO of TanBizLink. Prior to that he held various positions 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, ACPA
Executive Director
Bachelor of commerce in Accounting

Tanzanian, Age 47

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 where he served private sector clients in the manufacturing, mining, 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).

2021 KEY FACTS

23.4 CARGO TONS HANDLED (THOUSAND)

10.0 FLIGHTS HANDLED (THOUSAND)

610 PASSENGERS SERVED (THOUSAND)

2 CARGO WAREHOUSES

›667 EMPLOYEES

2 AIRPORTS

› 25 CUSTOMERS

Certified:
ISAGO
RA3
ISO 9001: 2015 Quality Management System
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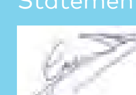
LETTER OF TRANSMITTAL

To
The shareholders of
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 2021, 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 2021.



Dirk Gooverts
Board Chairman
Swissport Tanzania Plc.
Date: 26 May 2022

OUR ESTEEMED CUSTOMERS

swissport

AB AVIATION

AIR TANZANIA

AS SALAAM AIR

AIRLINK

AIR ZIMBABWE

CONDOR AIR

FLIGHTLINK

ETHIOPIAN AIRLINES

EWA AIR

KENYA AIRWAYS

KLM ROYAL DUTCH AIRLINES

MOZAMBIQUE AIRLINES

AIR MAURITIUS

MALAWI AIRLINES

MARTINAIR

EGYPT AIR

OMAN AIR

QATAR AIRWAYS

SOUTH AFRICAN AIRWAYS

SWISS INTERNATIONAL AIRLINES

TURKISH AIRLINES

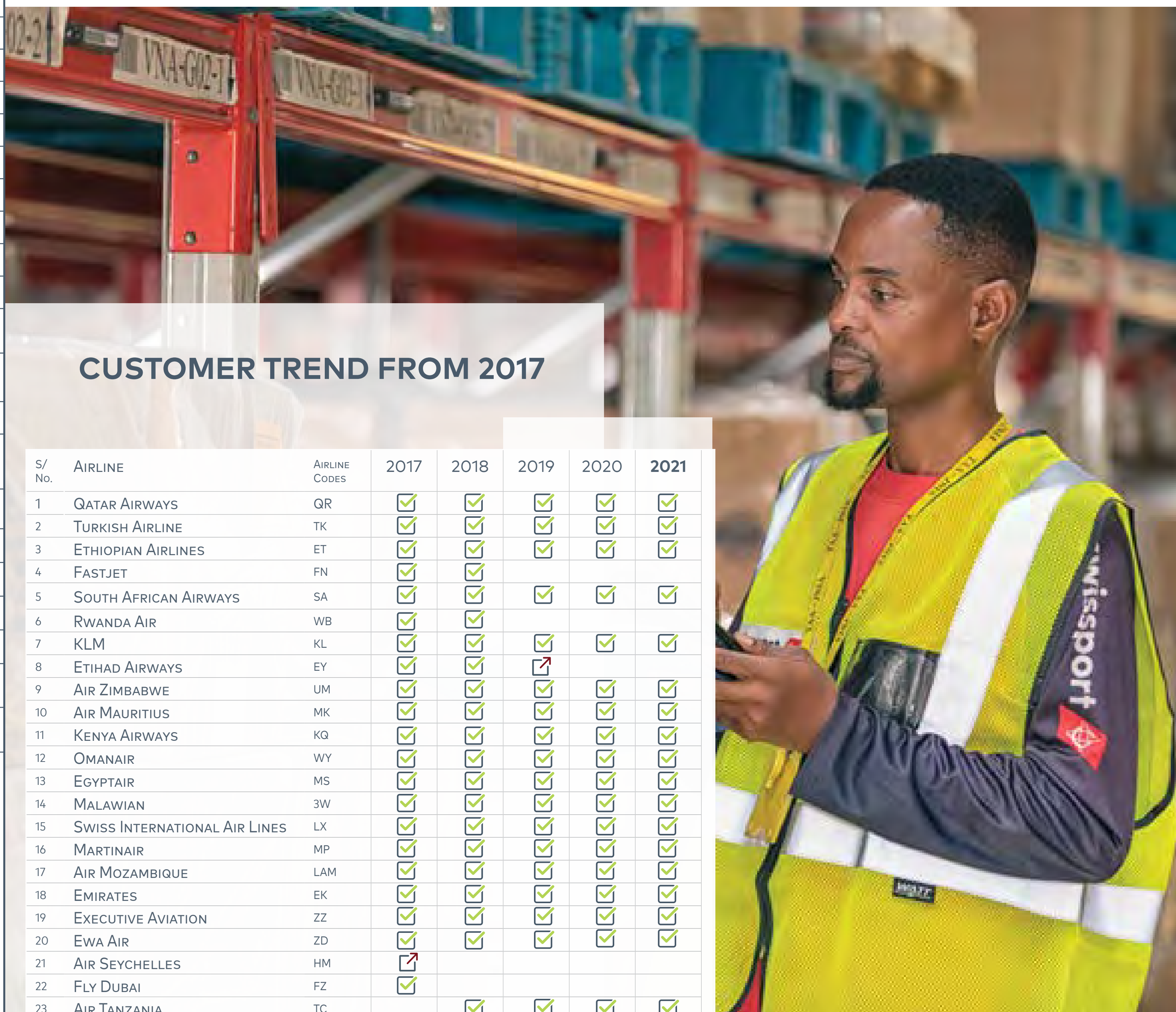
EMIRARES

UGANDA AIRLINES

CLEARING AND FORWARDING AGENTS

EDELWEISS AIR

Julius Nyerere International Airport (JNIA)
Kilimanjaro International Airport (KIA)
Cargo customers



CUSTOMER TREND FROM 2017

S/ No.	Airline	Airline Codes	2017	2018	2019	2020	**2021**
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	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	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					✓

✓ HANDLED BY SWISSPORT TANZANIA PLC.

↗ EXIT THE MARKET

THE CHAIRMAN'S STATEMENT

Esteemed shareholders,

I took over the Chairmanship of the Board of Directors of Swissport Tanzania Plc. in December 2021 with the vision of turning around the financial performance of the Company amid the COVID-19 impact, improving operational efficiency, transforming the operational structure and enhancing the quality of services offered to customers thus becoming a customer-centric and cost-effective organization. The same agenda is also driven by the new management of Swissport International Ltd. (SPI) from the onset of 2021. I knew we would face some turbulences in the process, but I was certainly sure that the vision would be achievable with the support of the shareholders, the board of directors, the management and employees.

It is my pleasure to present my first Chairman Report of the Company with a much improved operational and financial results for year 2021 compared to year 2020 which was significantly impacted by the devastating human and economic impact of the pandemic. This remarkable operational and financial recovery was made possible by customer resilience through their desire to continue operating during unprecedented times, global launching of COVID-19 vaccination programs, eased travel restrictions, established safe travelling protocols and strict business re-engineering and cost control measures implemented across the business.

Based on IATA statistics, airline flight frequencies are increasing, and prospects are promising as the industry continues to recover from the impact of COVID-19. We have plans in place to handle airline operational ramp up and we remain vigilant to ensure we respond rapidly to any unexpected industry performance changes for the sustainability of the Company.

Cargo business continued to perform well. The increased export of perishable products from Tanzania to other parts of the world influenced the growth. Thank you to the Government of the United Republic of Tanzania, farmers, slaughterhouse and meat processing owners, forwarders, and all other stakeholders for making this possible. Plans are in place to refurbish Cold Storage Facility at KIA and expand the import Cold Storage Facility at JNIA to better handle perishable volumes.

We have been able to retain our customers and win new customers. This strengthens our market share to remain a predominant ground handling Company despite increased competition in the ground handling market in Tanzania. I am confident we will continue retaining the market share by enhancing the relationship with customers and providing of best-in-class ground handling and cargo services.

It is our long-term strategy to expand the business to the regional airports where there is economic potential and venture into new product lines to sustain and grow the business. In line to this, in 2021 we participated and won a tender to construct and operate a business lounge at KIA. We completed the project and launched the lounge on 28th March 2022. The expected revenue and profit from lounge will boost the financial performance of the business.

We focus on improving commercial and operational performance as a result SPI introduced weekly WIN-ROOM and Global Weekly Operations Review (WOR) to ensure we perform better and timely reacting on commercial and operational matters affecting the business and airline customers.

All operational, commercial, and financial changes implemented during year 2021 were underpinned by the CORE Program. The Program was introduced by SPI during the year to drive changes in the business and is expected to transform and strengthen Swissport through customer centricity, operational excellence & safety, revenue, and cost.

» Continuous improvement is at the heart of everything we do. «

CORE helps Swissport to focus on:

i) Our customers and offer them services tailored to their needs. We want to retain and turn our customers into fans.
ii) Markets where we can earn money. We add value to our customers business with innovative services and flexible pricing. Together we enter new markets and grow.
iii) Supporting our customers with reliable and consistent services. Above all stands the health and safety of our staff and partners.
iv) Being lean, agile and digital-savvy. We are passionate about improving our efficiency. And we always seek to reduce our cost and not waste money.

As the business returns to normal, the Company shall endeavour to continue providing high quality services to its customers, investing in ground support equipment, warehousing facilities, people and safety, transforming the business, identifying new growth opportunities and aligning its strategies to continue retaining and grow the business. I am determined to drive the business to achieve its planned operational, commercial and financial objectives.

I would like to thank our esteemed customers for their loyalty towards Swissport as well as appreciate the support we have been receiving from the Government of the United Republic of Tanzania and its agencies and other stakeholders.

I also thank all shareholders for your continued support and our amazing people and teams across the business for their commitment and hard work during the year.

I look forward to meeting and engaging with our shareholders during the coming AGM.

Asante Sana!

Dirk Gooverts
Board Chairman
Swissport Tanzania Plc.

TAARIFA YA MWENYEKITI

Ndugu wana hisa,
Nilipokea Uenyekiti wa Bodi ya Wakurugenzi ya Swissport Tanzania Plc. mnamo Desemba 2021 nikiwa na maono ya kubadilisha hali ya kifedha ya Kampuni katika kufuatia athari za janga la UVIKO-19, kuboresha ufanisi wa utendaji kazi, kufanya mabadiliko ya muundo wa uendeshaji na kuimarisha ubora wa huduma zinazotolewa kwa wateja kwa lengo la kuwa shirika linalojali wateja na la gharama nafuu. Ajenda hiyo hiyo pia inaendeshwa na Menejimenti mpya ya Swissport International Ltd. (SPI) kuanzia mwanzoni mwa mwaka 2021. Nilijua tungekabiliana na misukosuko katika mchakato huo, lakini nilikuwa na uhakika kwa asilimia kubwa kwamba maono hayo yangeweza kufikiwa na kuungwa mkono na wanahisa, bodi ya wakurugenzi, menejimenti na wafanyakazi.

Ni furaha yangu kuwasilisha Ripoti yangu ya kwanza ya Mwenyekiti wa Kampuni yenye matokeo ya kiutendaji na ya kifedha yaliyoimarika zaidi kwa mwaka 2021 ikilinganishwa na ya mwaka 2020 ambayo yaliathiriwa kwa kiasi kikubwa na athari mbaya za kibinadamu na kiuchumi za janga hili la UVIKO-19. Ufufuaji huu wa kiutendaji na kifedha uliwezeshwa na uthabiti wa wateja kupitia shauku yao ya kuendelea kufanya kazi katika nyakati ambazo hazijawahi kushuhudiwa, uzinduzi wa kimataifa wa mpango wa chanjo ya COVID-19, kupunguzwa kwa vikwazo vya kusafiri, kuwekwa kwa itifaki za usalama wakati wa kusafiri na kufanya mapitio upya kwenye biashara na hatua za kudhibiti gharama (za uendeshaji) kutekelezwa katika kampuni nzima.

Kwa mujibu wa takwimu za IATA, miruko ya mashirika ya ndege inaongezeka, na muelekeo ni wa kutia moyo, kadri ambavyo sekta inaendelea kuimarika kutoka kwenye athari za UVIKO-19. Tuna mipango iliyo tayari ya kukabiliana na ongezeko kubwa la mashirika ya ndege, na tupo macho kuhakikisha kwamba tunaitikia kwa haraka mabadiliko yoyote yasiyotarajiwa ya kiutendaji kazi wa shirika kwa ajili ya uendelevu wa Kampuni.

Biashara ya mizigo iliendelea kufanya vizuri. Kuongezeka kwa mauzo ya nje ya bidhaa zinazoharibika haraka kutoka Tanzania kwenda sehemu nyingine za dunia kulichangia ukuaji huo. Shukrani kwa Serikali ya Jamhuri ya Muungano wa Tanzania, wakulima, wamiliki wa machinjio na viwanda vya usindikaji wa nyama, wasafirishaji, na wadau wengine wote kwa kufanikisha hili. Mipango ipo tayari kukarabati bohari la kuhifadhi mizingo inayoharibika katika uwanja wa KIA na kupanua bohari la mizingo inayoingia nchini kutoka nje ya nchi(import cold room) katika uwanja wa JNIA ili kuhudumia vyema mizigo inayoharibika haraka.

Tumeweza kubakisha wateja wetu na kupata wateja wapya. Hii imeimarisha sehemu yetu ya soko na Swissport imendelea kubaki kuwa Kampuni inayoongoza kwa uendeshaji licha ya kuongezeka kwa ushindani katika soko la biashara la husuma za ndege nchini Tanzania.Nina imani tutaendelea kuhodhi sehemu ya soko kwa kuimarisha uhusiano na wateja na kutoa huduma bora zaidi katika kuhudumia wasafiri na huduma za mizigo.

Mkakati wetu wa muda mrefu ni kupanua biashara kwenye viwanja vya ndege vya mikoani ambako kuna fursa za kiuchumi na kuanzisha bidhaa mpya ili kufanya biashara kuwa endelevu na inayokua. Sambamba na hili, mwaka 2021 tulishiriki na kushinda zabuni ya kujenga na kuendesha ukumbi wa kupumzika wasafiri kwenye uwanja wa KIA. Tulikamilisha mradi huu na kuzindua ukumbi wa kupumzikia wasafiri tarehe 28 Machi 2022. Mapato na faida inayotarajiwa kutoka kwa ukumbi huu itaimarisha utendaji wa kifedha na wa kibiashara.

Tunajikita katika kuboresha utendaji wa kibiashara na kiuendeshaji hivyo SPI ilianzisha WIN-ROOM na Mapitio ya kila Juma ya Utendaji (WOR- Global Weekly Operations Review) kwa kila wiki ili kuhakikisha

» Maboresho endelevu ndio msingi wa kila jambo tunalofanya. «

tunafanya kazi vyema, na kuitikia kwa wakati kuhusiana na masuala ya kibiashara na kiuendeshaji yanayoathiri biashara na wateja wa ndege.

Mabadiliko yote ya kiutendaji, kibiashara na kifedha yaliyotekelezwa katika mwaka wa 2021 yalijengwa katika Program ya CORE. Programu hii ilianzishwa na SPI katika mwaka 2021 ili kuchochea mabadiliko na inatarajiwa kuleta mabadiliko na kuimarisha Swissport kupitia huduma zinazojali zaidi wateja, ubora katika uendeshaji & usalama, mapato na gharama.
CORE inaisaidia Swissport kujikita katika maeneo yafuatayo:

i) Wateja wetu na kuwapa huduma ambazo zimepangiliwa kwa kuzingatia mahitaji yao. Tunataka kuwabakisha wateja wetu, na kuwafanya wateja wetu kuwa mashabiki wetu
ii) Masoko ambapo tunaweza kutengeneza pesa. Tunaongeza thamani katika biashara za wateja wetu kwa huduma za kibunifu na bei rafiki. Kwa pamoja tunaingia katika masoko mapya na kukua.
iii) Kuwasaidia wateja wetu kwa huduma za kuaminika na thabiti. Zaidi ya yote kusimamia afya na usalama wa wafanyakazi na washirika wetu.
iv) Kuwa shupavu, wepesi na wenye maarifa ya kidigitali. Tuna shauku ya kuboresha ufanisi wetu. Na mara zote tunatafuta namna ya kupunguza gharama na kutopoteza pesa.

Kadri Biashara inavyorejea katika hali yake ya kawaida, Kampuni itajitahidi kuendelea kutoa huduma za hali ya juu kwa wateja wake, kuwekeza katika vifaa vya utoaji huduma za ardhini , vifaa vya kuhifadhia kwenye maghala, watu na usalama, kufanya mabadiliko katika biashara, kutambua fursa mpya za ukuaji na kufungamanisha mikakati yake ili kuendelea kuhodhi biashara na kukuza biashara. Nimeazimia kuisukuma biashara ili kuweza kufikia malengo yaliyopangwa ya kiuendeshaji, kibiashara na kifedha.

Ningependa kuwashukuru wateja wetu wapendwa kwa uaminifu wao kwa Swissport na pia kuthamini msaada ambao tumekuwa tukiupokea kutoka kwa Serikali ya Jamhuri ya Muungano wa Tanzania na mamlaka zake na wadau wengine.

Pia ningependa kuwashukuru wanahisa wote kwa kuendelea kwenu kutuunga mkono, pamoja na watu na timu yetu ya kuvutia ndani ya kampuni nzima kwa kujitolea kwao na kufanya kazi kwa bidii katika kipindi chote cha mwaka mwaka mzima.

Natarajia kukutana na kushirikiana na wanahisa wetu katika Mkutano Mkuu wa Mwaka ujao.

Asante Sana!

Dirk Gooverts
Mwenyekiti wa Bodi
Swissport Tanzania Plc.

CEO REPORT

In 2021 the industry saw an easing of travel restrictions and re-opening of skies following the introduction of COVID-19 vaccines and other supplementary measures instituted to control the spread of corona virus. In response, several airlines resumed operations fueling the recovery of the ground handling business with Tanzania experiencing a much faster recovery. As a result, the Company recorded and hereby reports significant improved financial and operational performance.

During the year, the revenue of the Company upswing to TShs 30.2 billion, representing a 14% increase from the previous year revenue of TShs 26.4 billion. Total operating costs decreased by 7% from TShs 30.0 billion in 2020 to TShs 28.0 billion in 2021. Consequently, net profit of TShs 2.1 billion was realized during the year, being an increase of 183% from a net loss of TShs 2.6 billion recorded in 2020. The profit for the year was influenced by the increased revenue from operating activities and reduction of staff costs by TShs 3 billion. In 2020 we made a bold decision to reduce the number of staff to match the reduced size of operations, the decision made a positive impact in 2021. Other operating costs increased by small percentages due to increased operating activities.

The recovery of cargo business was quicker than the ground handling business. As of 31st December 2021, cargo business had fully recovered and exceeded 2019 volumes while ground handling business was performing at 75% of the 2019 volumes. We carefully monitoring business recovery trends and flex the number of employees and costs to appropriately achieve and maintain the required personnel and cost productivity levels.

Despite travel restrictions experienced during the year, our airline customers remained resilient and sustained their operations albeit less frequencies and to some extent with the use of smaller equipment compared to year 2019. Customers resilient to the unprecedented situation, helped the Company to maintain its customer base and winning new businesses. We won Edelweiss Air AG business during the year.

Services to the airline customers were provided in accordance with the service requirements agreed and documented in the Service Level Agreements (SLAs). Incidences of non-compliance to the SLAs were discussed jointly with the airlines, corrective measures were adopted to address the reported anomalies. Effective communications with airline customers have to a larger extent improved quality of services offered to our esteemed customers.

In October 2021, Swissport International Ltd. (SPI) introduced Net Promoter Score (NPS) – the Customer Voice. Through NPS we ask our customers every week how we performed in the previous week. In a 10-second survey, our customers can give us a score of 0 to 10 and optionally to add comment. Even if we meet a specific KPI such as punctuality, it can happen that a customer is not satisfied with our services for some other reasons. Each rating of 4 and below must be discussed between the Swissport Station Manager and the customer. The NPS therefore also helps to strengthening relationship between Swissport and our customers and ensures a constant flow of communication.

To better manage and enhance visibility of the business performance with a concept of **"Centrally Governed, Locally Managed"**, SPI have introduced weekly WIN-ROOM and Global Weekly Operations Review (WOR) online meetings to discuss commercial and operational matters respectively. WIN-ROOM meetings are Chaired by the Group CEO and WOR meetings are Chaired by the Group Director of Operations and attended by the Group CEO.

We sincerely thank all our customers; Air Tanzania, Emirates, Qatar Airways, Turkish Airlines, Oman Air, Air Zimbabwe, Kenya Airways, South African Airways, Ethiopian Airlines, KLM, Martin Air Cargo, CONDOR, AB Aviation, Air Mauritius, Malawian Airlines, EWA Air, Mozambique Airlines, Egypt Air, Flightlink, Assalam Air, Edelweiss Air AG and Uganda Airlines, for continuing trusting our products and services.

» Safety: Our Duty: Our Life. «

Investments
We continued serving our airline customers using young-aged and well-maintained Ground Support Equipment (GSE). It our commitment to continue maintaining existing and investing into new equipment based on operational and business needs for safe delivery of our services.

During the year we invested TShs 2.3 billion on the construction of lounge at Kilimanjaro International Airport (KIA) and reroofing of the import warehouse at Julius Nyerere International Airport (JNIA).

The opportunity to construct, manage and operate business lounge at KIA has opened doors for Swissport's global lounge brand – **"Aspire"** in Tanzania. We are operating the lounge jointly with Air Tanzania (the National Carrier).

Our plans to refurbish and upgrade the cold storage facility at KIA have not been executed as we await approval from the airport authority (KADCO). The project is overdue and highly needed by the export community who is keen to receive high-quality perishable handling standards in line with the industry requirements.

Safety at the Work Place
We continued upholding and enhancing our safety culture to make Swissport safer and a better place to work. Our global targets are to reduce work related injuries, aircraft damages and improve safety culture. These targets are achieved through several introduced safety initiative improvement programs such as Safety Campaigns, Safety Action Group meetings, Near Miss Reporting, Safe Observation, Leaders' Wednesday, and Safety days.

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 and respond appropriately.

The Company continued to invest in and provided adequate safety facilities, 'safe' cleaning detergents and protective gear to protect the health of staff, airline staff and the traveling community from COVID-19.

Further to the steps taken to address the risk of COVID-19, the business continued to focus on delivering of a safe operation. Our focus on product differentiation via premium customer service and safety, remains firmly in place.

Human Resources and Training of Staff
The financial and operational performance realized during the year was attained through the hard work and commitment of the employees – our number one asset. As a team we worked tirelessly to better serve our airline customers in compliance with health, safety and security requirements.

Achieving optimum staff level as airlines resumed operations was challenging but we constantly reviewed adequacy of staff and recruited new staff to achieve the required number to serve airline customers whenever appropriate.

Our Training Centre continued to play a vital role in ensuring operational staff are well trained and certified in their specific area of operations. The efforts to certify our staff are also achieved by jointly working with our airline customers and industry regulators. New and called back employees were trained before being deployed in operations.

Training records are well maintained in the INTELEX system, the system flags all non-compliances with business-critical and functional training.

Accolades

During the year we received the financial reporting award from the National Board of Accountants and Auditors (NBAA), 2020 best presented financial statements 2nd winner in the category of service trading entities, in recognition of our excellence in financial reporting among companies in Tanzania. We have won this award for the 9th year in a row. This demonstrates transparency and compliance in financial reporting.

Future Outlook

Cargo volumes have fully recovered, while ground handling flight frequencies registered an impressive recovery in 2021. Our future projections indicate that cargo volumes will continue growing, and the number of flight frequencies will increase as the ground handling business continues to recover and Air Tanzania (the National Carrier) implements its network growth plans. The growth of cargo volume is driven by the increased export of perishable products and transit cargo from Air Tanzania. Plans have been established to manage the expected volume growth.

We managed to renew commercial contracts with our customers and win new businesses, there are few contracts in the renewal pipeline. The introduction of NPS has strengthened the relationship between the company and its customers and has also enhanced Swissport operational performance by addressing customers non-performance issues. This presents the opportunity to retain and grow the Company's market share.

An improved and consistent operational performance and investment in human resources, ground support equipment, warehouse facilities, processes, training, and technology coupled with strict cost reduction measures adopted by the business are also expected to influence stronger financial performance in 2022.

The completion and launching of the Twiga Lounge by Aspire at KIA in March 2022 will bolster Company revenue and accelerate the growth of the business in 2022 and in years to come.

We will continue analysing investment needs and make appropriate investments to meet industry and regulatory as well as customers' requirements.

Our plans to refurbish, revamp and upgrade the Cold Storage Facility (CSF) at KIA will be executed as soon as we obtain approval to undertake the project from KADCO. The project is critical for proper handling of perishable products at KIA.

Improving operational efficiency, business re-engineering and cost control will remain the important pillars in improving the bottom line.

The Company's future business projections including revenue, expenses, cash flows and investment projects have been prepared based on the current airline performance trend, operational requirements and some critical assumptions, the management is confident that the Company estimates for year 2022 will be achieved and carefully monitors business recovery and its strategies and is taking appropriate mitigating measures to attain its projections.

The focus in year 2022 going forward is to ensure consistency in safe and quality service delivery to our customers, as well as monitoring business trends to achieve the set business goals for the year.

Appreciation

I thank all our esteemed customers, the Board of Directors, Ministry of Works and Transport, Tanzania Civil Aviation Authority, Tanzania Airports Authority (TAA), KADCO and all other stakeholders for their support during the year 2021. A special thanks to all my fellow employees for their commitment and hard work during the year.

I bank on your continued support going forward.

Asante sana!

Mrisho Yassin

Chief Executive Officer

TAARIFA YA AFISA MTENDAJI MKUU

Mnamo mwaka 2021 tasnia ya anga ilishuhudia kupunguzwa kwa vikwazo vya kusafiri na kufunguliwa tena kwa anga kufuatia kuanzishwa kwa chanjo ya UVIKO-19 na hatua nyingine za ziada zilizowekwa ili kudhibiti kuenea kwa virusi vya UVIKO. Kufuatia hali hiyo, mashirika kadhaa ya ndege yalirejea tena katika shughuli zao na kuchochea ufufukaji wa biashara ya ardhini huku Tanzania ikishuhudia ahueni ya haraka zaidi. Matokeo yake, Kampuni iliimarika zaidi kifedha na kiutendaji.

Katika kipindi cha mwaka 2021, jumla ya mapato ya Kampuni yalipanda hadi kufikia shilingi bilioni 30.2, ikiwa ni ongezeko la asilimia 14 ukilinganisha na mapato ya mwaka 2020 ya shilingi bilioni 26.4 Jumla ya gharama za uendeshaji zilipungua asilimia 7 kutoka shilingi bilioni 30.0 kwa mwaka 2020 hadi kufikia shilingi bilioni 28.0 mwaka 2021. Hiyo ilipelekea kupata faida halisi ya shilingi bilioni 2.1, ikiwa ni ongezeko la aslimia 183 kutoka hasara ya shilingi bilioni 2.6 iliyorekodiwa kwa mwaka 2020. Faida ya mwaka 2021 ilichangiwa na ongezeko la mapato kutokana na shughuli za uendeshaji na kupunguza gharama za wafanyakazi (waajiriwa) kwa shilingi bilioni 3. Mwaka 2020 tulifanya uamuzi mgumu wa kupunguza idadi ya wafanyakazi ili kuendana na kupungua kwa shughuli za uendeshaji, uamuzi huo ulileta matokeo chanya kwa mwaka 2021. Gharama nyingine za uendeshaji ziliongezeka kwa asilimia ndogo kutokana na kuongezeka kwa shughuli za uendeshaji.

Kufufuka kwa biashara ya mizigo kulikuwa kwa haraka zaidi kuliko biashara ya huduma za aridhini. Kufikia tarehe 31 Desemba 2021, biashara ya mizigo ilikuwa imerejea kikamilifu na kuzidi viwango vya mwaka 2019 huku biashara ya huduma za aridhini ikifanya kazi kwa asilimia 75 ya viwango vya mwaka 2019. Tunafuatilia kwa ukaribu mienendo ya ufufukaji wa biashara na pia kurekebisha idadi ya wafanyakazi na gharama ili kuweza kufikia na kukidhi kwa usahihi viwango vinavyohitajika vya wafanyakazi na gharama vyenye tija.

Licha ya vikwazo vya usafiri vilivyoshuhudiwa katika mwaka 2021, wateja wetu wa mashirika ya ndege walifanikiwa kuendelea na shughuli zao pamoja na ukweli kwamba kiwango cha safari/miruko kilipungua na wakati mwingine kutumia ndege ndogo ikilinganishwa na mwaka 2019. Ustahimilivu wa wateja katika kipindi hiki kisichotabirika, uliisaidia Kampuni kubakisha wateja wake wa msingi na kupata biashara mpya. Tulishinda biashara ya Edelweiss Air AG katika mwaka wa 2021.

Huduma kwa wateja wa mashirika ya ndege zilitolewa kwa mujibu wa mahitaji ya huduma yaliyokubaliwa na kurekodiwa katika Makubaliano ya Viwango Vya Huduma (SLAs). Matukio ya kutofuata SLAs yalijadiliwa kwa pamoja na mashirika ya ndege, hatua za marekebisho zilichukuliwa kushughulikia changamoto zilizoripotiwa. Mawasiliano yenye tija na wateja wa mashirika ya ndege yameboresha ubora wa huduma zinazotolewa kwa wateja wetu pendwa kwa kiwango kikubwa.

Mwezi Oktoba mwaka 2021, kampuni mama ya Swissport International Ltd. (SPI) ilianzisha Net Promoter Score (NPS) - Sauti ya Mteja. Kupitia NPS tunawauliza wateja wetu kupata maono yao juu ya utekelezaji wa majukumu yetu katika juma lililopita. Katika utafiti wa sekunde 10, wateja wetu wanaweza kutupa alama 0 hadi 10, na wanaweza kuongeza maoni yao bila kulazimishwa. Hata kama tutatimiza malengo mahsusi chini ya kipimo chetu cha malengo ya utendaji yaani (KPI-Key Performance Indicator), kama vile kutunza muda, inaweza kutokea kwamba mteja hajaridhika na huduma zetu kwa sababu nyinginezo. Kila kipengele tunachopata alama 4 kushuka chini, ni lazima kijadiliwe na Meneja wa Kituo cha Swissport na mteja. Kwa hivyo, NPS pia husaidia kuimarisha uhusiano kati ya Swissport na wateja na kuhakikisha mawasiliano wakati wote baina ya mteja na kampuni.

» Usalama: Wajibu Wetu: Maisha Yetu «

Kama namna bora ya kusimamia na kuimarisha kuonekana kwa utendaji wa kibishara kupitia dhana ya **"Inadhibitiwa na Makao Makuu, Inasimamiwa Ndani" yaani ("Centrally Governed, Locally Managed")** SPI wameanzisha mikutano ya kila wiki ya kidigitali ya WIN-ROOM na kupitia shughuli za kiutendaji za kila nchi (Global Weekly Operations Review) (WOR) ili kujadili masuala ya kibiashara sambamba na uendeshaji.

Mikutano ya WIN-ROOM inaongozwa na Mkurugenzi Mtendaji Mkuu wa Kampuni na mikutano ya WOR inaongozwa na Mkurugenzi wa Uendeshaji wa Kampuni na kuhudhuriwa na Mtendaji Mkuu wa Kampuni.

Tunawashukuru kwa dhati wateja wetu wote; Air Tanzania, Emirates, Qatar Airways, Turkish Airlines, Oman Air, Air Zimbabwe, Kenya Airways, South African Airways, Ethiopian Airlines, KLM, Martin Air Cargo, CONDOR, AB Aviation, Air Mauritius, Malawian Airlines, EWA Air, Mozambique Airlines, Egypt Air, Flightlink, Assalam Air, Edelweiss Air AG na Uganda Airlines, kwa kuendelea kuamini bidhaa na huduma zetu.

Uwekezaji
Tuliendelea kuwahudumia wateja wetu wa mashirika ya ndege kwa kutumia vifaa vyenye umri mdogo na vilivyotunzwa vizuri (young-aged and well-maintained Ground Support Equipment (GSE). Tunaendelea kuboresha vifaa vilivyopo na kuwekeza katika vifaa vipya kwa kuzingatia mahitaji ya kiutendaji na kibiashara kwa utoaji salama wa huduma zetu.

Katika kipindi cha mwaka tuliwekeza kiasi cha shilingi bilioni 2.3 kwenye ujenzi wa ukumbi wa kupumzikia abiria katika Uwanja wa Ndege wa Kimataifa wa Kilimanjaro (KIA), na kuezeka upya bohari la kuhifadhia mizigo kwenye uwanja wa ndege wa Kimataifa wa Julius Nyerere (JNIA)

Fursa ya kujenga, kusimamia na kuendesha ukumbi wa kubumzikia abiria wenye Daraja la biashara katika uwanja wa KIA imefungua milango kwa chapa ya kimataifa ya kumbi za kumpumzikia abiria za Swissport - "Aspire" nchini Tanzania. Tunaendesha majilisi hii (lounge) kwa ubia na Air Tanzania (Shirika la ndege la Taifa).

Mipango yetu ya kukarabati na kuboresha kituo cha kuhifadhi mizigo inayoharibika haraka katika uwanja wa KIA haijatekelezwa kwani bado tunasubiri kibali kutoka kwa Mamlaka ya Uwanja wa Ndege wa Kilimanjaro (KADCO). Mradi huu umechelewa sana na unahitajika sana kwa jumuiya ya wauzaji wa bidhaa zinazo haribika haraka nje ya nchi ambao wana matarajio ya kupata viwango vya juu vya uhifadhi wa bidhaa zinazoharibika haraka kulingana na mahitaji ya kisekta.

Usalama Mahali pa Kazi
Tuliendelea kusimamia na kuimarisha utamaduni wetu wa usalama ili kuifanya Swissport kuwa salama zaidi na mahali bora pa kufanya kazi. Malengo yetu ya kimataifa ni kupunguza majeraha yanayohusiana na utendaji kazi, uharibifu wa ndege na kuboresha utamaduni wa usalama. Malengo haya yanafikiwa kupitia programu kadhaa za kuboresha usalama zilizoanzishwa kama vile Kampeni za Usalama, Mikutano ya Vikundi Kazi vya Usalama, Kuripoti Ajali zilizokaribia kutokea, Kuzingatia Usalama, Jumatano ya Viongozi na Siku za Usalama.

Mfumo wetu wa kuripoti taarifa za usalama (SMT) huhifadhi kumbukumbu za matukio yote ya usalama yanayoripotiwa na wafanyakazi. Nyenzo hii huwezesha utambuzi wa hatari na upembuzi, ili kubaini hatari za msingi za kiuendeshaji zinazoathiri biashara (Kampuni) na kuchukua hatua ipasavyo. Kampuni iliendelea kuwekeza na kutoa vifaa vya kutosha vya usalama, sabuni 'salama' za kusafishia na zana za kujikinga ili kulinda afya za wafanyakazi, wafanyakazi wa mashirika ya ndege na wasafiri dhidi ya UVIKO-19.

Zaidi na hatua zilizochukuliwa ili kukabiliana na hatari ya UVIKO-19, Kampuni iliendelea kujikita zaidi katika kutoa huduma salama. Mkakati wetu wa kujitofautisha kibidhaa/huduma kupitia huduma za wateja za kiwango cha juu, unabakia kuwa thabiti.

Rasimali Watu na Mafunzo kwa Wafanyakazi

Utendaji wa kifedha na kiuendeshaji uliofikiwa katika kipindi cha mwaka ulifikiwa kutokana na kazi kubwa na kujitoa kwa wafanyakazi wetu mtaji wetu namba moja. Kama timu tulifanya kazi bila kuchoka ili kuwahudumia vyema wateja wetu wa ndege kwa kukidhi vigezo na mahitaji ya afya, ulinzi na usalama.

Kukidhi idadi stahiki ya wafanyikazi sambamba na uhitaji kadri mashirika ya ndege yalivyokuwa yakirejea kufanya kazi ilikuwa ni changamoto lakini tulitathmini mara kwa mara utoshelevu wa wafanyakazi kulingana na mahitaji na kuajiri wafanyakazi wapya ili kukidhi idadi inayohitajika kuhudumia wateja wa mashirika ya ndege kila ilipobidi.

Kituo chetu cha Mafunzo kiliendelea kutekeleza jukumu muhimu katika kuhakikisha kwamba wafanyakazi wanaofanya shughuli za uendeshaji wamepewa mafunzo kikamilifu na kuthibitishwa katika eneo lao mahususi la utendaji kazi. Jitihada za kuwathibitisha wafanyakazi wetu pia zinafikiwa kwa kufanya kazi na wateja wetu wa mashirika ya ndege na wadhibiti wa sekta hiyo. Wafanyikazi wapya na waliorejeshwa kazini walipewa mafunzo kabla ya kuingizwa katika shughuli za uendeshaji.

Rekodi za Mafunzo zinasimamiwa vizuri katika mfumo wa INTELEX, mfumo hutoa taarifa kuhusiana na kutokuwepo kwa uzingatiwaji wa masuala muhimu ya biashra pamoja na mafunzo ya kiutendaji.

Tuzo

Katika mwaka 2021 tulipokea tuzo ya utoaji wa taarifa za kifedha kutoka kwa Bodi ya Taifa ya Wahasibu na Wakaguzi wa Hesabu (NBAA).Tuzo ya Ripoti Bora ya Fedha ya mwaka 2020 mshindi wa pili katika kundi la mashirika ya huduma, katika kutambua ufanisi wetu katika utoaji wa taarifa za kifedha miongoni mwa makampuni ya Tanzania. Tumeshinda tuzo hii kwa mwaka wa 9 mfululizo. Hii inaonesha tulivyo na uwazi na uzingatiaji masharti katika utoaji wa taarifa za fedha.

Mtazamo wa Baadaye

Kiasi cha mizigo kimerejea kwa ukamilifu, huku idadi ya miruko ya ndege na huduma kwa abiria ikipata ahueni ya kutia matumani kwa mwaka 2021. Makadirio yetu kwa siku za usoni yanaonyesha kwamba kiasi cha mizigo kitaendelea kuongezeka, na idadi ya miruko ya ndege itaongezeka na biashara ya kuhudumia wasafiri ikiendelea kuimarika na Air Tanzania (Shirika la Taifa la Ndege) likitekeleza mipango yake ya kutanua mtandao wake. Kuongezeka kwa kiasi cha mizigo kunachangiwa na kuongezeka kwa mauzo ya nje ya bidhaa zinazoharibika haraka na mizigo iliyo safarini kutoka Air Tanzania. Mipango imeanzishwa ili kuendana na ongezeko linalotarajiwa.

Tulifanikiwa kuhuisha mikataba ya kibishara na wateja wetu, na kushinda mikataba ya biashara mpya, kuna mikataba michache ambayo ipo kwenye mchakato wa kuhuishwa. Kuanzishwa kwa NPS kumeimarisha mahusiano baina ya Swissport na wateja wetu na pia imewezesha kuimarisha shughuli za kiuendeshaji kwa kushughulikia nya vizuri kutoka kwa wateja.Hii inatupa fursa ya kuendelea kubaki na wateja wetu na kuongeza wateja wengine.

Utendaji imara na uboreshwaji wa huduma wa mara kwa mara na uwekezaji katika Rasilimali Watu, vifaa vya kuhudumia wasafiri uwanjani, vitendea kazi vya kwenye ghala, michakato, mafunzo na teknolojia pamoja na hatua thabiti za kudhibiti gharama za uendeshaji zilizochukuliwa na kampuni, pia zinatarajiwa kusaidia utendaji thabiti wa kifedha kwa mwaka 2022.

Kukamilika na kuzinduliwa kwa ukumbi wa kupumzikia wa Twiga kulikofanywa na Aspire kwenye Uwanja wa Ndege wa Kimataifa wa kilimanjaro (KIA), mwezi March mwaka 2022 kutakuza mapato ya Kampuni na kusukuma mbele ukuaji wa biashara kwa mwaka 2022 na miaka mingi ijayo.

Tutaendelea kufanya upembuzi wa mahitaji ya uwekezaji na kufanya uwekezaji stahiki ili kukidhi matakwa ya sekta hii, na kiudhibiti pamoja na matakwa ya wateja

Mipango yetu ya kukarabati, kurekebisha na kuboresha Ghala la kuhifadhi mizigo inayoharibika haraka (Cold Storage Facility (CSF) katika uwanja wa KIA itatekelezwa mara tu tutakapopata kibali cha utekelezaji wa mradi huo kutoka KADCO. Mradi huu ni muhimu kwa utunzaji sahihi wa bidhaa zinazoharibika haraka katika uwanja wa KIA.

Kuboresha ufanisi wa kiuendeshaji, kuunda upya mfumo wa kibiashara na udhibiti wa gharama utabaki kuwa nguzo muhimu katika kuboresha faida ya biashara

Malengo ya baadaye ya biashara ya Kampuni ikiwa ni pamoja na mapato, gharama za uendeshaji, mtiririko wa fedha na miradi ya uwekezaji imetayarishwa kulingana na mwenendo wa sasa wa kiutendaji wa mashirika ya ndege, mahitaji ya kiuendeshaji na baadhi ya makisio muhimu, Menejimenti ina imani kwamba makadirio ya Kampuni kwa mwaka wa 2022 yatafikiwa, kwa kufuatilia kwa ukaribu ufufukaji wa biashara na mikakati yake na inachukua hatua stahiki za kukabiliana ili kufikia matarajio yake.

Kipaumbele kwa mwaka 2022 na kuendelea mbele ni kuhakikisha uthabiti katika utoaji wa huduma bora na salama kwa wateja wetu, ikiwa ni pamoja na kufuatilia mienendo ya biashara ili kufikia malengo ya kibiashara kwa mwaka.

Shukrani

Nawashukuru wateja wetu, Bodi ya Wakurugenzi, Wizara ya Ujenzi na Uchukuzi, Mamlaka ya Usafiri wa Anga Tanzania (TCCA), Mamlaka ya Viwanja vya Ngege Tanzania (TAA), KADCO na wadau wengine wote kwa kutuunga mkono kwa mwaka 2021. Shukrani za pekee ziwaendee wafanyakazi wenzangu kwa kujitoa kwao na kufanya kazi kwa nguvu katika kipindi cha mwaka 2021

Najivunia kuendelea kuungwa mkono kadri tunavyokwenda mbele.

Asante sana!

Mrisho Yassin
Afisa Mtendaji Mkuu

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors submit their report together with the audited financial statements for the year ended 31 December 2021, which disclose the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flow, 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 2021, except where otherwise stated, are:

	Name	Nationality	Position	Age	Appointment	Resignation
1	Mr. Dirk Goovaerts[(1)]	Belgium	Chairman	59	September, 2021	-
2	Mr. Jeroen de Clercq [(1)]	Dutch	Director	59	June, 2006	Dec 2021
3	Mr. Luzius Wirth [(1)]	Swiss	Director	48	March, 2020	April 2021
4	Mr. Eric Muriithi [(1)]	Kenyan	Director	37	March, 2020	-
5	Mr. Raymond P Mbilinyi [(2)]	Tanzanian	Director	57	April, 2016	-
6	Dr. Charles S Kimei [(2)]	Tanzanian	Director	68	April, 2019	-
7	Mr. Mrisho Yassin [(1)]	Tanzanian	Director	47	December, 2021	-

Jeroen de Clercq, who was representing Swissport International Ltd (SPI) and the chairman of the board, resigned in December 2021.

(1) Representing Swissport international Ltd (SPI)
(2) Representing minority shareholders

1 DIRECTORS (CONTINUED)

In accordance with the Company's Articles of Association, the directors are not required to retire by rotation.

The board comprises of 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 2021	Shares 2020
Mr. Raymond P Mbilinyi	140	140
Dr. Charles S Kimei	1,200	1,200

Directors' remuneration
The directors are each entitled to the directors' fees paid annually as follows:

Name	US$
The Chairman of the Board	10,000
Other directors	8,000

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

Name	US$
The Chairman of the Board	1,000
Other directors	800

The Company Secretary, as of the date of this report who has served throughout the period was KW Kapinga and Partners.

2 COMPANY SHAREHOLDINGS

As of 31 December 2021, the Company had 10,778 shareholders (31 December 2020 – 10,782 shareholders). The Pension Funds owns 9% of the Company's shares (2020: 8%). Ten major shareholders of the Company are listed below:

	Name	Nationality	%
1	Swissport International Ltd.	Swiss	51
2	SCB(T) RE: SSB: Chage Global Frontier Markets, LP Fund	Tanzanian	6
3	National Social Security Fund	Tanzanian	5
4	PSSSF	Tanzanian	4
5	SBSA Nominees OBO Barca Global Master Fund LP	Tanzanian	2

2 COMPANY SHAREHOLDINGS (CONTINUED)

	Name	Nationality	%
6	SCB Mauritius A/C SANLAM Centre Sub Saharan Africa Equity	Tanzanian	2
7	Sayeed H. Kadri &/or Basharati Kadri	Tanzanian	1
8	BNYM re Frontier Market Opportunities Master Fund IP	Tanzanian	1
9	G.A.K. Patel & Co. Limited	Tanzanian	1
10	Umoja Unit Trust Scheme	Tanzanian	1

As at 31 December 2020, the Company had 10,782 shareholders (31 December 2019 – 10,480 shareholders). The Pension Funds owned 8% of the Company's shares (2019: 9%). Ten major shareholders of the Company are listed below:

	Name	Nationality	%
1	Swissport International Ltd.	Swiss	51
2	SCB(T) RE:SSB: Chage Global Frontier Markets, LP Fund	Tanzanian	6
3	National Social Security Fund	Tanzanian	5
4	PSSSF	Tanzanian	3
5	SBSA ACC Barca Global Master Fund LP	Tanzanian	3
6	SCB (T) Nominee Ltd Standard Chartered Bank	Tanzanian	2
7	SCB Mauritius A/C SANLAM Centre Sub Saharan Africa Equity	Tanzanian	2
8	Sayeed H. Kadri &/or Basharati Kadri	Tanzanian	1
9	Umoja Unit Trust Scheme	Tanzanian	1
10	G.A.K. Patel & Co. Limited	Tanzanian	1

3 ACCOUNTING PERIOD

The Company's accounting circle is from January to December. The financial information presented in these financial statements is for the year ended 31 December 2021, together with the comparative information for the year ended 31 December 2020.

4 PRINCIPAL ACTIVITIES

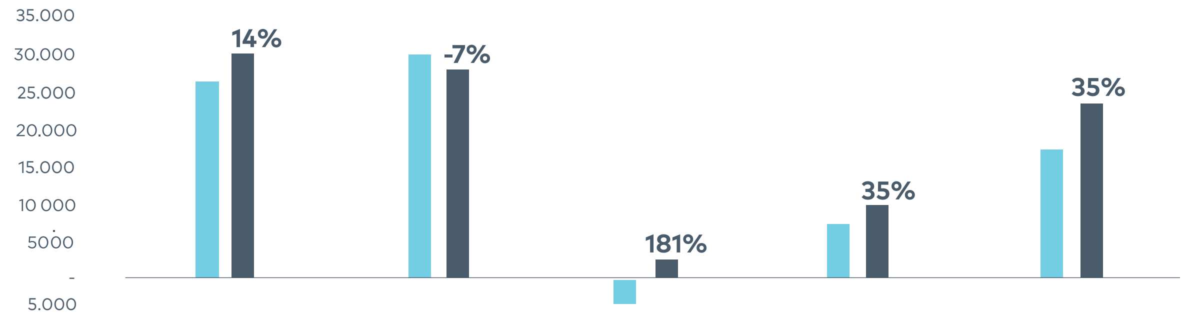
The Company's principal activities are the provision of airport ground handling and cargo handling services. During the year, the Company operated at Julius Nyerere International Airport (JNIA) and Kilimanjaro International Airport (KIA).

5 OPERATING AND FINANCIAL REVIEW

During the year, the Company experienced a decent business recovery following massive financial and operational impact caused by the outbreak of COVID 19 in year 2020. Global roll out of COVID 19 vaccines, establishment of air travel health and safety protocols, airline resilience and removal of travel restrictions contributed to the recovery of the aviation industry. Despite revenue being below pre-COVID time, the Company's financial and operational performance significantly improved during the year when compared to year 2020. In response, the management continued to implement various cost-saving measures to protect and sustain business performance. Some of key measures taken during the year were the control of number of employees and suspension of investments to reduce operating costs and preserve cash.

5 OPERATING AND FINANCIAL REVIEW (CONTINUED)

OPERATIONAL AND FINANCIAL OVERVIEW



	Revenue (TZS, Millions)	Cost (TZS, Millions)	EBIT (TZS, Millions)	Flights (Numbers)	Cargo (Tons)
FY 2020	26,419	30,003	(3,264)	7,384	17,354
FY 2021	30,165	28,032	2,647	9,965	23,448

Revenue for the year increased by 14% from the revenue realized in 2020. The increase in revenue was mainly caused by the increase in flights and volume of cargo. The rollout of COVID 19 vaccination and the relaxation of travel restrictions around the world positively impacted the recovery of the ground handling segment.

Ground handling services
Ground handling revenue increased by 26% compared to 2020 from TShs 9,447 billion to TShs 11,918 billion. The increase in ground handling revenue attributed by a significant increase in frequencies handled due to business recovery from the impact of COVID 19 and the growth of Air Tanzania operations.

The yield from the ground handling segment decreased by 7% because most of our airline customers operated smaller equipment (aircraft) compared to equipment operated in 2020. No trade discounts were offered during the year.

During the year, the Company handled 9,965 flight frequencies (2020 – 7,384), which is an increase of 35% on flight frequencies from the prior year.

Ground handling revenue versus budget:
Revenue realized from ground handling services of Tsh 11,918 million was 1% lower when compared to the budgeted revenue of TShs 12,042 million. The actual performance was slightly below the budget due to the impact of Delta and Omicron covid-19 variants which negatively impacted business recovery in the first and third quarters of the year. The ground handling revenue loss against the budget was partly compensated by the revenue earned from handling Air Tanzania additional business volume.

Cargo handling services
Cargo handling services fully recovered in 2020 and continued to grow during the year. As a result, revenue increased by 8% from TSh16,972 billion to TShs 18,247 billion compared to 2020. The increase was attributed to an increase in the volume of cargo handled by 35%, from 17,354 tons in 2020 to 23,448 tons in 2021. Increased export perishable products (meat, fish and avocados and flowers) contributed to the growth of cargo volume.

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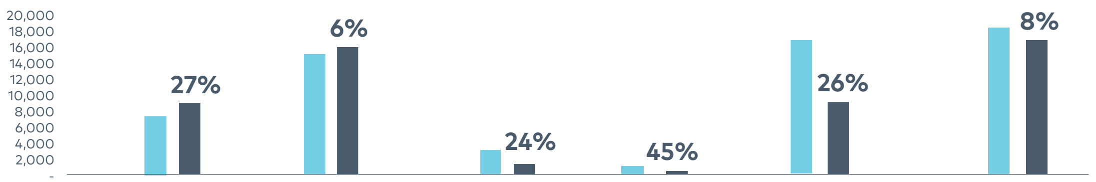
Cargo revenue versus budget

Revenue realized from cargo handling services of TShs 18,247 million was 11% above budgeted revenue of TShs 16,423 million. The actual performance was above budget, mainly due to an increase in the volume of cargo handled. We budgeted to handle 17,610 tons of cargo, while 23,448 tons were handled during the year.

Export cargo increased from 7,848 tons in 2020 to 11,972 tons due to the increase in the export of perishable products.

The Company earned its revenue from JNIA and KIA operations.

REVENUE BY BUSINESS LINE



	DAR-GH	DAR-CH	JRO-GH	JRO-CH	Total - GH	Total - CH
FY 2020	7,837	16,266	1,610	706	9,447	16,972
FY 2021	9,929	17,226	1,989	1,021	11,918	18,247

Profitability

During the year, the Company recorded an operating profit before tax (PBT) of TShs 2,052 million, which was TShs 5,603 million or 158% above when compared to a loss before tax (LBT) of TShs 3,551 million realized in 2020. The increase in earnings before tax (EBT) was attributed to business recovery from the financial and operational impact of COVID 19, which impacted the Company's performance in 2020. In addition, the Company also benefited from cost-saving measures adopted since the outbreak of the pandemic. The measures, such as headcount reduction, were aimed at protecting the profitability and cash flow of the Company.

Cash flows

The Company generated enough cash flow from its operations to maintain a positive free cash flow position. The Company generated TShs 6,209 million from its operating activities (2020 – TShs 3,623 million). The increase in the cash flow from operations was mainly due to profit before income tax of TShs 2,052 million generated during the year.

Investments

During the year, the Company invested TShs 2,317 million in reroofing of the cargo import warehouse at JNIA, construction of the lounge at JRO and computers (2020 – TShs 2,514 million).

The construction of the Twiga lounge by Aspire at KIA, started during the year was completed in February 2022. The lounge started operating on 28th March 2022.

KADCO did not approve our plan to rehabilitate the cold storage facility at KIA to cater for the high demand of the facility at the airport. This negatively impacts quality of services offered to perishable exporters out of KIA. We are concerned and we shall continue engaging with KADCO until we secure the approval to rehabilitate the facility in order to improve quality of services and ensure compliance with local and international quality standards.

The Company will cautiously continue investing in GSE, People, Safety, Training, and ICT of strategic importance to enhance the quality of services and safety of our staff and customers.

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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 the communicated operating schedules with some cancellations and equipment changes due to uncertainties caused by COVID-19 pandemic. We won Edelweiss Air AG business.

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 cutomers 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 reliable and available for the operations.

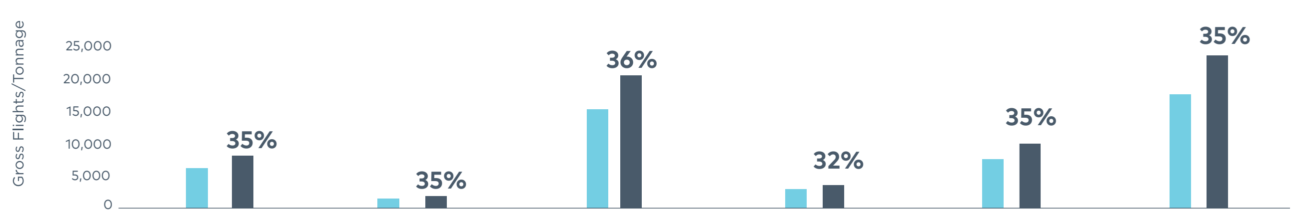
The Company continued to focus on quality, health, safety, security, and environment (QHSSE), training, compliance, and investments during the recovery phase of the pandemic. Appropriate measures were taken to ensure compliance with best industry practices.

Several achievements were realized on QHSSE and no major safety incident was recorded during the year. These achievements helped the 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 used to fund the additional requirements.

STATISTICS BY STATION



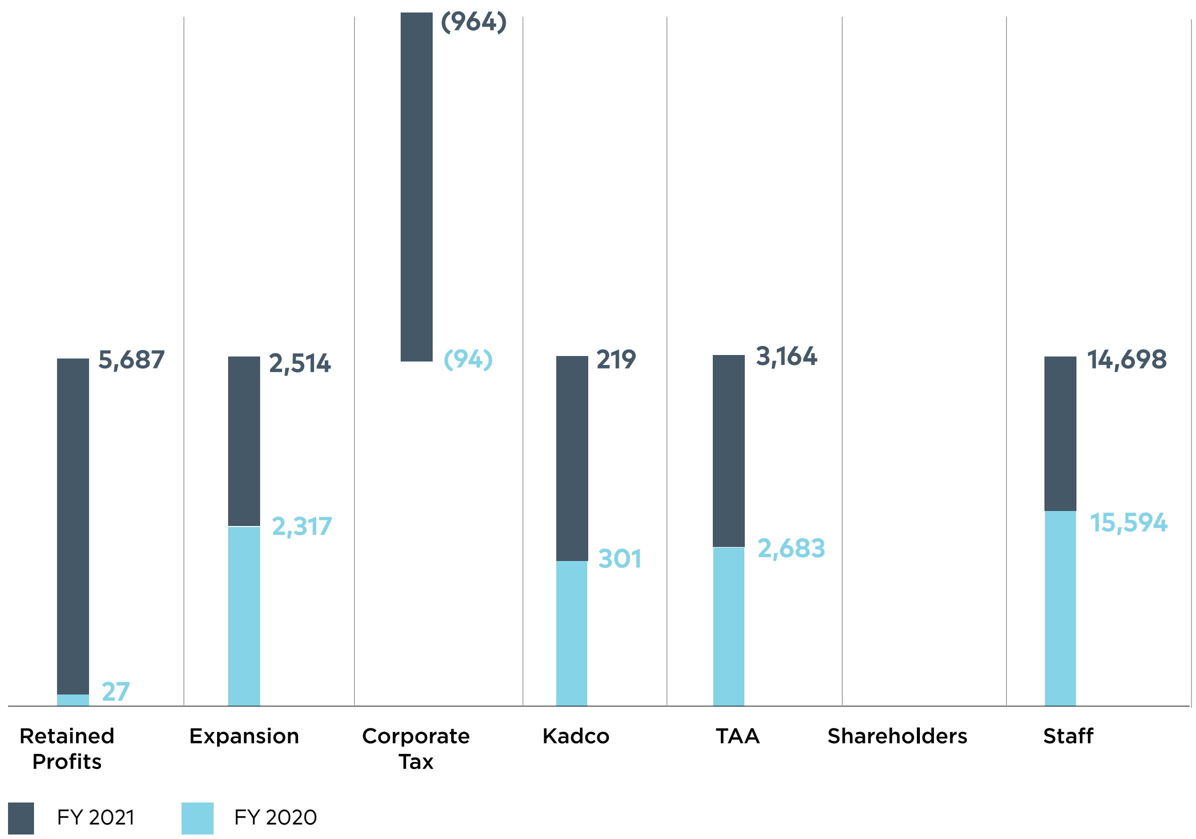
	DAR	JRO	DAR - CARGO	JRO - CARGO	TOTAL	TOTAL
	Flights	Flights	Tonnage	Tonnage	Flights	Flights
FY 2020	6,014	1,370	14,901	2,453	7,384	17,354
FY 2021	8,119	1,846	20,219	3,228	9,965	23,448

6 VALUE ADDED STATEMENT

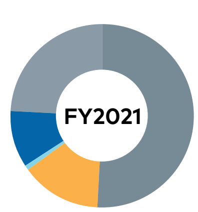
The value generated by the Company is distributed as follows:

Million Tanzania Shillings	2021	2020
Revenue (including other income)	30,679	26,739
Purchase of materials (fuel, maintenance, rent and other purchases)	(7,710)	(7,315)
Value Added	22,969	19,424

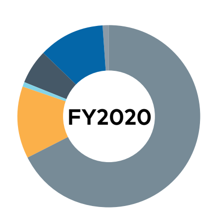
VALUE ADDED STATEMENT



VALUE ADDED DISTRIBUTION - AMOUNT IN TSHS M



Staff	11,594	**50%**
Shareholders	-	**0%**
TAA	3,163	**14%**
KADCO	301	**1%**
Corporate Tax	(94)	**0%**
Expansion	2,314	**10%**
Retained profits	5,596	**25%**



Staff	14,698	**76%**
Shareholders	-	**0%**
TAA	2,683	**14%**
KADCO	219	**1%**
Corporate Tax	(964)	**-5%**
Expansion	2,514	**13%**
Retained profits	274	**1%**

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.

As business is returing to normal, the focus going forward is to recover and 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 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 in order to retain and tap future volumes.

Ground handling segment is still recovering, we expect to reach 100% of the pre-COVID volume in year 2022. 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 completion and launching of Twiga Lounge by Aspire in March 2022 will boost Company's revenue and accelerate growth of business.

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 recovery from the COVID-19 impact and projects stable performance going forward.

8 COMPETITION

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

8 COMPETITION (CONTINUED)

In 2020, TAA finalised the process of recruiting a third handler at JNIA, making a total of three ground and cargo handlers at the airport. A third handler started operating at JNIA in 2021.

As per the Tanzania Civil Aviation Authority (TCAA) Board decision of 2016, three ground and cargo handlers are allowed to operate at JNIA. Two operators are allowed to operate at KIA.

TCAA is considering the current situation as partial liberalization and looking at fully liberalization of the ground handling market, consultation process begun in April 2022.

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 85% market share in grounding handling segment and 98% in cargo handling segment.

9 PRINCIPLE RISK AND UNCERTAINTIES

The Company's financial performance depends largely on the airline customers' operational performance. We, therefore, have no full control of the business. This is considered a high risk for the Company. Given this, our top line is influenced by the airline performance while we have control of costs. Due to this, we consistently implement cost control initiatives, which in return, sustain the Company's financial performance. In addition, as the business evolves, the Company is constantly working proactively to increase its revenue.

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 react to a change by reviewing cost structure and implementing strong cost-cutting measures to reduce the possible financial impact of the loss of the 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 use these tools to support the provision of high-quality services to our esteemed customers. Our people make the real difference, beyond technical skills to fulfil their roles, it is the mindset of our employees to go the extra mile that differentiates Swissport as the partner of choice for airlines at the airports we operate.

Operational KPIs agreed by our customers measures quality of our services to airline customers.

11 RESULTS AND DIVIDENDS

The Company realised a net profit of TShs 2,146 million (2020 – a net loss of TShs 2,587 million). The directors have proposed a dividend of Tshs 1,073 million, equal to Tshs 29.8 per issued and fully paid in shares. In 2020, no dividend was declared because the Company incurred a net loss. The approved dividend represents 50% of the net profit after tax for the year.

11 RESULTS AND DIVIDENDS (CONTINUED)

No interim dividend was approved in 2021 (2020 – Nil), the decision was made by the Board to ease cash flow pressure and allow the Company to effectively finance business recovery from the impact of COVID 19.

12 SOLVENCY

The Company's state of affairs as at 31 December 2021 is set out on page 48 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. (See Note 9)

13 LIQUIDITY

The Company has a positive liquidity position. Financial obligations of the Company are mainly met by the use of internally generated cash flows and supported by an intercompany loan of US$ 2 million (United States Dollars two million), equivalent to TShs 4.6 billion acquired in November 2020 repayable by February 2023. As at year-end total outstanding amount was TShs 2.6 billion. The Company has enough cash flow to repay the loan.

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 35.8% 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 2021, the performance of the Company's shares in the secondary market was as follows: Market capitalization as at 31 December 2021 was TShs 36,000 million (2020 – TShs 40,320 million), the total turnover of the Company's shares at DSE was TShs 882 million (2020 – TShs 90 million), the average price of Company shares was TShs 1,103 (2020 – TShs 1,270) and the closing share price as at 31 December 2021 was TShs 1,000 per share (2020 – TShs 1,120). 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 2021, the Company had 2 disabled employees (2020 – 2 disabled employees).

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

17 TRAINING (CONTINUED)

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 2021 for the programmes enrolled for 2021.

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 177 million in external training (2020 – TShs 171 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

Staff performance at all levels is reviewed annually based on pre-agreed goals and Key Performance Indicators (KPIs). The Company suspended the use of TALEO system as a tool for performance management evaluation for senior management staff and heads of Units. A new system of managing performance is being developed that will be used to manage management team performance. Presently, a well-designed manual system is used to evaluate the performance of all staff.

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 03 December 2023.

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

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.

21 EMPLOYEE WELFARE (CONTINUED)

i) Relationship between management and employees (continued)

The existing agreement between COTWU and the management (CBA) details employees' benefits. Employees' benefits are paid as stipulated in the agreement. Three years contract to 31 December 2023 was signed in 2021.

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.

iii) Medical facilities

We have an agreement with National Health Insurance Fund (NHIF) and Strategies Insurance where all staff their families are covered as per Employment and Labour Relations Act 2004 requirements.

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 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.

21 EMPLOYEE WELFARE (CONTINUED)

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) Workers' compensation fund (WCF)

As required by the law, we contribute on monthly basis 0.6% of an employee's gross salary towards workers' compensation fund. The fund compensates employees for all work-related hazards.

viii) 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

At 31 December 2021, the Company had 667 (December 2020: 715) full time employees, out of which 163 (December 2020: 222) were female and 505 (December 2020: 493) 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 thereafter presented and approved by Swissport International and the Board of Directors. 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 International (SPI); the approval levels are determined by the approved limits set by SPI in the Group Directives.

Due to financial constraints resulting from the decrease in revenue due to COVID-19 impact, the Company cautiously invested in projects of significant importance, focusing on safety and growth. Accordingly, in 2021, the Company invested TShs 2,317 million in reroofing of the cargo import warehouse at JNIA, construction of the lounge at JRO and computers (2020 – TShs 2,514 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 2021 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.

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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, trade mark 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 20. The key management personnel of the Company are:

	Name	Title
1	Mr. Mrisho Yassin	Chief Executive Officer
2	Mr. Imani Mtafya	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. Daniel Jonas	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, which are both internationally certified. The quality management system is certified to the ISO 9001:2015 standards, and the environmental management system is certified to the ISO 14001:2015 standards. The two standards help the Company to sustain and improve the quality of its services and ensure compliance with the environmental laws/regulations. These certifications are audited, reviewed and updated annually to maintain our certifications. Our two systems were recertified in 2020 and the renewed certificates for ISO 9001:2015 and 14001:2015 are valid up to December 2023 and November 2023 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 in order to achieve quality targets in operations. The Swissport Formula consists of two key elements namely: **KPI's** and **Active Supervision.**

29 SWISSPORT FORMULA (CONTINUED)

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 Cargo2000 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.

A unique initiative, the Safety Health Improvement Program (SHIP), was launched in Swissport Tanzania Plc. in 2017, which is a facilitation program aimed at engaging our people by creating awareness, developing knowledge and ensuring proactive safety leadership. The program has also helped the team to develop quick wins and has resulted in the improvement of operational safety as well as the safety culture. The program also continues to engage the executive management team, who have committed to support and drive the program. The management of safety requires engagement at every level of the business. It is organic and continues to evolve; it is a culture; a way of doing business. A strong safety culture is good business.

31 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).

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. Completion is scheduled for 2022. 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.

32 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 year 2021, the Company contributed to Kilimanjaro tree plantation, traditional festivals promotion and to different orphans centres. Total amount spent for 2021 for Corporate Social Responsibilities activities was TShs 9 million (2020 – TShs 10 million). We below budgeted amount due to cash constraints caused by the impact of COVID-19 pandemic.

33 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.

34 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, Directors 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.

Two board meetings were held during year ended 31 December 2021 (2020 – two board meetings), which were attended by the Chief Executive Officer and Chief Financial Officer. Mr. Jeroen de Clercq 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.

34 CORPORATE GOVERNANCE (CONTINUED)

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 virtually three times during 2021 (2020 – three times) where the Chief Executive Officer, the Chief Financial Officer. Internal Auditors attended one meeting and a representative of the Company's external auditor attended two meetings (2020 – 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.

v) Attendance of the Board and Audit Committee meetings

	Name	93th BOD_meeting	94th BOD meeting	44th BAC_meeting	45th BAC_meeting	46th BAC_meeting
1	Mr. Jeroen de Clercq	✓	×	×	✓	*
2	Dirk Goovaerts	*	✓	*	*	*
3	Mr. Raymond P Mbilinyi	✓	✓	✓	✓	✓
4	Dr. Charles S Kimei	✓	✓	✓	✓	✓
5	Mr. Luzius Wirth	✓	×	*	*	*
6	Mr. Eric Muriithi	✓	✓	✓	*	✓
7	Mr. Mrisho Yassin	*	*	*	*	*

* not a member; ✓ attended the meeting; × absent with apology.

35 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.

36 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 in the year ahead.

37 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 2022 will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

Mr. Dirk Goovaerts
Chairman of the Board of Directors
Date: **26 May 2022**

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021, 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 a summary of significant accounting policies and other explanatory information, in accordance with International Financial Reporting 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 26 May 2022 and signed by:

Mr. Dirk Goovaerts
Chairman of the Board of Directors

DECLARATION OF CHIEF FINANCIAL OFFICER

FOR THE YEAR ENDED 31 DECEMBER 2021

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 Imani Mtafya being the Chief Financial Officer of Swissport Tanzania Plc hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2021 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: Imani Mtafya

Position: Chief Financial Officer

NBAA Membership No: ACPA 3993

Date: 26 May 2022

INDEPENDENT AUDITORS' 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 47 to 93, which comprise the statement of financial position as at 31 December 2021, 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 a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Swissport Tanzania Plc as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) 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.

Report on the Audit of the Financial Statements (continued)

1 Valuation of the defined benefit plan

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

Key audit matter

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 employee's expected length of service, salary at the time of retirement, inflation rates, mortality rates and the discount rate used to present value the gratuity obligation.

This arrangement qualifies as a defined benefit plan in terms of IAS 19 Employee Benefits.

The directors engaged a firm of professional actuaries to perform an actuarial valuation of the defined benefit plan.

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.

How the matter was addressed in our audit

Our audit procedures in this area included:

– Engaging our own actuarial specialists in evaluating the actuarial valuation performed by the Company's actuaries and challenging the assumptions applied by comparing inputs in the valuation such as length of service, mortality rates, discount rates, inflation rates and expected annual salary increments to our expected benchmarks;

– Assessing the competence, capability and objectivity of the Company's actuaries who perform the actuarial valuation;

– Assessing the assets position, existing obligations and evaluating the ability of the Company to fund the defined benefit plan when they fall due. This included evaluating the assumptions of the Company's cash flow forecast and challenging whether they are reasonable and supportable; and

– 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

Revenue of the Company comprises of two categories, cargo handling and ground handling.

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.

Unlike cargo handling, the process of recognition of ground handling 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 be susceptible to errors.

Moreover, revenue is among the main key performance indicators of the Company, there is a presumed pressure on management to ensure the Company achieve 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 the significant audit effort that we required in this area.

How the matter was addressed in our audit

Our audit procedures in this area included:

– Engaging our information technology specialists to assess the software system that is used to initiate, process and recognize revenue. Our specialists tested the controls 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 whether manual controls around revenue recognition are appropriately designed to prevent and detect identified risk of fraud in revenue recognition. The controls tested included the reviews of invoices issued to customers. These controls are designed to ensure that the recognized revenue is appropriate;

– Evaluating whether the recognized revenue agrees with the charging rates in the customer contracts and approved airway bills; and

– Assessing completeness of the recognized revenue by obtaining details of sales made few days to the end of the year and after the end of the year and inspecting the source documents on whether the revenue was recognised in the correct accounting period.

Report on the Audit of the Financial Statements (continued)

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 2021 but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs 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.

Report on the Audit of the Financial Statements (continued)
Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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, based on our audit that:

- in our opinion, proper accounting records have been kept by Swissport Tanzania Plc;
- 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)

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Signed by engagement partner: CPA Alexander Njombe (ACPA 2714)
Dar es Salaam

Date: 26 May 2022

HOME

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

Tshs M	Notes	2021	2020
Revenue	10	30,165	26,419
Other operating income	11	514	320
Staff costs	13	(11,594)	(14,698)
Concession fees	12	(3,464)	(2,902)
Fuel and maintenance costs	14	(1,695)	(1,334)
Depreciation of property and equipment	21(a)	(2,408)	(2,300)
Amortization of intangible assets	21(b)	(2,637)	(2,410)
Depreciation of right of use assets	30(b)	(730)	(665)
Rent and other occupancy costs	15	(589)	(587)
Impairment loss on trade receivables	23	-	(312)
Other operating expenses	16	(4,915)	(4,795)
Total operating expenses		(28,032)	(30,003)
Total operating profit / (loss)		2,647	(3,264)
Finance costs	31	(595)	(287)
Profit / (loss) before income tax		2,052	(3,551)
Income tax credit	17(a)	94	964
Profit / (loss) for the year		2,146	(2,587)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Actuarial gain	26	35	196
Deferred tax	17(b)	(10)	(138)
Total other comprehensive income for the year net of tax		25	58
Total comprehensive income/(loss) for the year		2,171	(2,529)
Earnings per shares (TShs) – Basic	19	59.6	(71.9)
– Diluted	19	59.6	(71.9)

The notes on pages 47 to 93 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2021

Tshs M	Notes	2021	2020
ASSETS			
Intangible asset	21(b)	12,625	14,510
Property and equipment	21(a)	15,502	16,345
Right of use asset	30(b)	2,098	1,930
Deferred tax asset	18	735	1,421
Staff receivable	23	171	148
Non-current assets		31,131	34,354
Inventories	22	404	423
Trade and other receivables	23	3,922	7,720
Income tax recoverable		1,983	1,983
Cash and cash equivalents	24	7,688	7,735
Current assets		13,997	17,861
Total assets		45,128	52,215
EQUITY			
Share capital	25	360	360
Retained earnings		29,422	28,021
Total equity		29,782	28,381
LIABILITIES			
Lease liabilities (long term)	30(a)	958	1,510
Related party loan (long term)	28	371	2,574
Retirement benefit obligations	26	1,666	2,567
Non-current liabilities		2,995	6,651
Related party loan (short term)	28	2,240	2,055
Trade and other payables	27	8,937	14,605
Lease liabilities (short term)	30(a)	1,174	523
Current liabilities		12,351	17,183
Total liabilities		15,346	23,834
Total equity and liabilities		45,128	52,215

The financial statements on pages 47 to 94 were approved and authorised for issue by the board of directors on 26 May 2022 and signed on its behalf by:

Mr Dirk Goovaerts
Chairman of the Board of Directors

Mr Raymond P Mbilinyi
Director

The notes on pages 52 to 94 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

Tshs M	Notes	Share capital	Retained earnings	Total
Year ended 31 December 2021				
Balance at 1 January 2021		360	28,021	28,381
Comprehensive income:				
Profit for the year		-	2,146	2,146
Other comprehensive income:				
Actuarial gain – net of tax		-	25	25
Total comprehensive income for the year		-	2,171	2,171
Deferred tax on retirement benefit obligation			(770)	(770)
Transactions with owners:				
Dividends	20	-	-	-
Balance at 31 December 2021		360	29,422	29,782
Year ended 31 December 2020				
Balance at 1 January 2020		360	30,550	30,910
Comprehensive income:				
Loss for the year		-	(2,587)	(2,587)
Other comprehensive income:				
Actuarial gain – net of tax		-	58	58
Total comprehensive income for the year		-	**(2,529)**	**(2,529)**
Transactions with owners:				
Dividends	20	-	-	-
Balance at 31 December 2020		360	28,021	28,381

The notes on pages 52 to 93 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

TShs M	Note	2021	2020
Cash flows from operating activities			
Profit / (loss) before income tax		2,052	(3,551)
Adjustment for:			
Depreciation of property and equipment	21(a)	2,408	2,300
Amortization of intangible assets	21(b)	2,637	2,410
Depreciation of right of use assets	30(b)	730	665
Provision for retirement benefit obligations	26	283	392
Gain on disposal/write-off of equipment		(5)	(6)
Interest expense on lease liabilities	30(c)	301	253
Interest expense on loan	28	294	34
Impairment loss in trade receivables	23	-	312
Write-off	23	(2,346)	-
Rent concession	30(c)	(204)	(169)
Change in:			
Inventories		19	(15)
Trade and other receivables[1]		2,104	2,938
Trade and other payables[1]		(244)	(878)
Cash generated from operating activities		8,029	4,685
Retirement benefits paid[2]	26	(1,225)	(422)
Interest paid on lease liability	30(c)	(301)	(253)
Interest paid on loan	28	(294)	-
Income tax paid		-	(387)
Net cash from operating activities		6,209	3,623
Cash flows from investing activities			
Proceeds from sale of property and equipment		5	6
Acquisition of property and equipment and intangible asset	21(a)(b)	(2,317)	(2,514)
Net cash (used)/generated in investing activities		(2,312)	(2,508)
Cash flows from financing activities			
Proceeds from loan	28	-	4,595
Repayment of loan	28	(2,018)	-
Dividends paid to the Company's shareholders	20	(1,403)	(802)
Payment of lease liabilities	30(d)	(664)	(450)
Net cash from used in / (generated from) financing activities		(4,085)	(3,343)
Net (decrease) / increase in cash and cash equivalents		(188)	4,458
Movement in cash and cash equivalent			
(Decrease / increase in cash and cash equivalents		(188)	4,458
Cash and cash equivalents at 1 January	24	7,735	3,435
Effect of movements in exchange rates on cash held		141	(158)
Cash and cash equivalents at 1 January to 31 December	24	7,688	7,735
Significant non-cash transactions not included:			
[1] Capital gain tax payable to TRA and receivable from SPI		-	4,017
[2] Unclaimed retirement obligation	26	-	234
Net addition on right of use and lease liability	30(b)	898	1,496

The notes on pages 52 to 93 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 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 measurements

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2002. They were authorized for issue by the Company's Board of Directors on 26 May 2022.

The financial statements have been prepared on a historical cost basis, except where fair value measurements have been applied.

b) Going concern

The Company has recognised profit before tax of TShs 2,052 million (2020, loss before tax of TShs 3,551 million) for the year ended 31 December 2021 and, as at that date, current assets exceeded current liabilities by TShs 1,646 million (2020: Tshs 678 million). The Company projects to continue generating profit 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:

4 USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

a) Judgements, assumptions and estimation uncertainties (continued)

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.

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 taking into account 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.

4 USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

b) Determination and measurement of fair values (continued)

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.

The Company has an established control framework with respect to the measurement of fair value. This include 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 SIGNIFICANT ACCOUNTING POLICIES

The Company has early adopted COVID-19-Related Rent Concessions – Amendment to IFRS 16 issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Company is a lessee – i.e. for leases to which the Company applies the practical expedient, the Company is not required to assess whether eligible rent concessions that are a direct consequence of the COVID-19 coronavirus pandemic are lease modifications. Refer to Note 6 (l) and Note 30 of the financial statements for accounting policy on leases and related disclosures respectively.

A number of other new standards listed below are also effective from 1 January 2020 but they do not have a material effect on the Company's financial statements.

New currently effective standards/amendments

- Interest Rate Benchmark Reform
- Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

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. As such the Company does not have contract liabilities and contract assets.

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.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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'.

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 plans. 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.

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6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Employees benefits (continued)
Define benefit plan (continued)

Defined benefit plan (continued)
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.

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.

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

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Taxes (continued)
Deferred tax (continued)

- 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.

Deferred tax
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.

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.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 two strategic divisions (Ground Handling division and Cargo Services 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.

i) Intangible asset

The Company has a 15 years 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 of 8 years.

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.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J) Property and equipment (continued)
Recognition and measurement (continued)

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
Internet installation	4

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.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 asset's 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 taken into account, 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 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.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Leases (continued)

Leases in which the Company is a lessee (continued)

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.

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.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Leases (continued)

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) Trade and other receivables

Receivables are measured at initial recognition at fair value and subsequently at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

o) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and bank overdrafts.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) 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.

q) Trade and other payables

Trade payables are initially measured at fair value and subsequently at amortized cost.

r) Bank overdraft and borrowings

Bank overdrafts (if any) and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

The Company has received an intercompany loan from Swissport International Limited. The loan is denominated in united states dollar (US$) and is unsecured. Interest expense is recognised using the effective interest method.

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 instument.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U) Financial instruments (continued)

i) Recognition and measurement (continued)

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.

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;

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

- 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.

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 par amount, 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.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

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.

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. 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.

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.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U) Financial instruments (continued)

iv. Derecognition (continued)

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.

v. Offsetting
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.

vi. 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.

v. Comparative figures

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

w. 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 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%.

x. 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.

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 2021 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
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)	1 April 2021
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
- Annual Improvements to IFRS Standards 2018 - 2020	1 January 2022
- Property Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
- Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2023
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes	1 January 2023
- Definition of Accounting Estimate (Amendments to IAS 8)	1 January 2023
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 Januray 2023

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; and
- Cargo handling services.

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.

8 SEGMENT INFORMATION (CONTINUED)

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

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:

2021 Income and expenses	Ground handling TShs M	Cargo handling TShs M	Total TShs M
Revenue	11,918	18,247	**30,165**
Other operating income	347	167	514
Staff costs	(7,446)	(4,148)	(11,594)
Concession fees	(1,449)	(2,015)	(3,464)
Fuel and maintenance costs	(570)	(1,125)	(1,695)
Depreciation and amortisation	(2,076)	(3,699)	(5,775)
Rent and other occupancy costs	(103)	(486)	(589)
Other operating expenses	(2,648)	(2,267)	(4,915)
Finance cost (excluding interest expense above)	(200)	(395)	(595)
Profit before income tax	**(2,227)**	**4,279**	**2,052**

2021 Assets and liabilities	Ground handling TShs M	Cargo handling TShs M	Unallocated TShs M	Total TShs M
Total assets	16,909	28,071	148	45,128
Total liabilities	6,379	6,726	2,241	15,346
Capital expenditure	22	1,752	543	2,317

2020 Income and expenses	Ground handling TShs M	Cargo handling TShs M	Total TShs M
Revenue	9,447	16,972	26,419
Other operating income	150	170	320
Staff costs	(9,620)	(5,078)	(14,698)
Concession fees	(1,068)	(1,834)	(2,902)
Fuel and maintenance costs	(754)	(580)	(1,334)
Depreciation	(1,957)	(3,418)	(5,375)
Rent and other occupancy costs	(141)	(446)	(587)
Impairment loss on trade and other receivables	(149)	(163)	(312)
Interest expense	(14)	(20)	(34)
Other operating expenses	(2,473)	(2,322)	(4,795)
Finance cost Excluding interest expense above	(105)	(148)	(253)
Profit before income tax	**(6,684)**	**3,133**	**(3,551)**

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)

2020 Assets and liabilities	Ground handling TShs M	Cargo handling TShs M	Unallocated TShs M	Total TShs M
Total assets	22,998	28,956	261	52,215
Total liabilities	11,400	10,200	2,234	23,834
Capital expenditure	586	1,691	237	2,514

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 ACCPAC 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 - 2021

	DAR TShs M	KIA TShs M
Revenue	27,155	3,010
Total operating costs (*)	25,121	2,992
Total assets	42,037	3,091

GEOGRAPHICAL SEGMENT - 2020

	DAR TShs M	KIA TShs M
Revenue	24,103	2,316
Total operating costs (*)	26,433	3,537
Total assets	49,101	3,114

(*) 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.

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9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 amount of foreign currencies they require and hold an equivalent amount in foreign currencies (US dollar and EURO). As at 31 December 2021, the balances denominated in foreign currencies were as Shown on the table below:

	2021		2020	
Balances denominated in foreign currencies	TShs M USD	TShs M EUR	TShs M USD	TShs M EUR
Cash and bank balances	4,328	566	6,251	394
Trade and other receivables	1,492	62	1,399	52
Loan / borrowings	(2,611)	-	(4,629)	-
Trade and other payables	(1,553)	(36)	(1,336)	(49)
Lease liabilities	(1,425)	-	(158)	-
Net exposure	231	592	1,527	397

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).

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

9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency sensitivity (continued)

	Effect on profit before tax		Effect on equity	
	Strengthening	Weakening	Strengthening	Weakening
	TShs M	TShs M	TShs M	TShs M
2021				
USD (10% movement)	23	(23)	294	(294)
EUR (10% movement)	59	(59)	44	(44)
2020				
USD (10% movement)	153	(153)	107	(107)
EUR (10% movement)	40	(40)	28	(28)

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 2021 since the interest from the intercompany loan is fixed (2020: same loan from Intercompany that has been roll forwarded to 2021).

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.

The steps taken by the Company to respond to possible future liquidity constraints arising from the COVID-19 pandemic and the impact of those steps on the financial statements include the following.

- In December 2020, the Company obtained unsecured intercompany loan of US$ 2 Million (TSh 4.6 billion) from Swissport International Limited.
- During the year, the Company requested and obtained rent discount of TShs 204 million as a direct consequence of the COVID-19 coronavirus pandemic. This has been appropriately accounted for as a lease modification in these financial statements.

Forecasted liquidity reserves as extracted from short and medium-term future budget of Company as at 31 December 2021 is as follows:

TShs M	2021
At 1 January	7,688
Operating activities	4,351
Investing activities	(2,117)
Financing activities	(5,104)
Total	4,818

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	Un-discounted contractual cash flows	Less than 1 year	1 - 2 years	2- 5 years
	TShs M	TShs M	TShs M	TShs M	TShs M
At 31 December 2021					
Lease liabilities	2,132	2,809	962	962	886
Trade and other payables	8,937	8,937	8,937	-	-
Borrowings	2,611	2,700	2,329	371	-
	13,680	14,446	12,228	1,333	886
At 31 December 2020					
Lease liabilities	2,033	2,582	818	756	1,008
Trade and other payables*	10,539	10,539	10,539	-	-
Borrowings	4,629	5,045	2,345	2,329	371
	17,201	18,166	13,702	3,085	1,379

(*) Financial liabilities included are concession fees payable of TShs 347 million (2020: TShs 281 million), sundry payable of TShs 5,044 million (2020: TShs 5,830 million) and due to related party of TShs 3,546 million (2020: TShs 4,428 million) as depicted in Note 27.

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.

	2021	2020
	TShs M	TShs M
Trade and other receivables including staff loan (Note 23)	3,259	3,545
Cash and cash equivalents (Note 24)	7,688	7,735
At 31 December	10,947	11,280

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.

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.

9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

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

	2021 TShs M	2020 TShs M
Opening balance	2,841	2,558
Net re-measurement of loss allowance	(2,346)	283
Closing balance	495	2,841

As at 31 December 2021, trade receivables of Tshs 304 million (2020: Tshs 2,766 million) 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:

2021	Gross TShs M	Impairment TShs M	Net TShs M
Current (not past due)	1,803	-	1,803
31 to 60 days	641	-	641
61 to 90 days	126	(37)	89
91 to 122 days	141	(81)	60
Over 181 days	94	(73)	21
Specifically provided	304	(304)	-
Closing balance (Note 23)	3,109	(495)	2,614

2020	Gross TShs M	Impairment TShs M	Net TShs M
Current (not past due)	1,925	-	1,925
31 to 60 days	661	(22)	639
61 to 90 days	84	(5)	79
91 to122 days	71	(5)	66
Over 181 days	168	(43)	125
Specifically provided	2,766	(2,766)	-
Closing balance (Note 23)	5,675	(2,841)	2,834

9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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.

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 in order to support its business and maximise shareholder value.

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

No changes were made in the objectives policies or processes during the years ended 31 December 2021 as of December 2020 and 31 December 2019. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt (*). As of 31 December 2021, the Company had a gearing ratio of 8.1% (2020: 14.0%).
(*) 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	2021 TShs M	2020 TShs M
Ground handling	11,918	9,447
Cargo handling	18,247	16,972
Total revenue	30,165	26,419

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.

	Major Service Line			
	Ground Handling		Cargo handling	
	2021 TShs M	2020 TShs M	2021 TShs M	2020 TShs M
Primary geographical markets				
Kilimanjaro International Airport	1,989	1,610	1,021	706
Julius Nyerere International Airport	9,929	7,837	17,226	16,266
Total revenue	11,918	9,447	18,247	16,972

11 OTHER OPERATING INCOME

	2021 TShs M	2019 TShs M
Rental income	256	182
Commission on freight charges	7	61
Income from Training Center	210	97
Gain on sale of property, plant and equipment	5	6
Foreign exchange gain/(loss)	36	(26)
	514	320

12 CONCESSION FEES

Concession fees – Tanzania Airports Authority	3,163	2,683
Concession fees – Kilimanjaro Airport Development Company	301	219
	3,464	2,902

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 atwhile for KIA is 10% of the total revenue earned.

13 STAFF COSTS

	2021 TShs M	2020 TShs M
Salaries and wages	7,922	8,302
Pension cost – defined contribution plans	860	967
Pension cost – defined benefit plan	283	392
Other staff costs	2,529	5,037
	11,594	14,698

14 FUEL AND MAINTENANCE COSTS

	2021 TShs M	2020 TShs M
Fuel – Ground support equipment	116	117
Fuel – Motor vehicles	349	319
Maintenance – Ground support equipment	824	625
Maintenance – Motor vehicles	157	130
Maintenance – Others	249	143
	1,695	1,334

15 RENT AND OTHER OCCUPANCY COSTS

	2021 TShs M	2020 TShs M
Rent small value – JNIA	70	129
Rent small value – KIA	97	19
Utility charges	422	439
	589	587

16 OTHER OPERATING EXPENSES

	2021 TShs M	2020 TShs M
Telecommunication and internet charges	252	287
IT and other information processing services	1,603	1,351
Trade mark fee	448	-
Purchase of ground services	663	462
Insurance	331	717
Travel and transportation	62	72
Legal and consultancy fees	354	256
Advertising and publicity	38	31
Auditors' remuneration	146	123
Directors' emoluments	97	104
Bank charges	107	170
Other administration expenses	814	1,222
	4,915	4,795

17 INCOME TAX EXPENSE

a) Amount recognized in profit or loss

	2021 TShs M	2020 TShs M
Current tax expense		
Current year	-	-
Current year tax charge related to prior years	-	82
	-	82
Deferred tax expense		
Origination and reversal of temporary differences	(7,098)	(234)
Recognition of tax losses	1,674	(812)
Recognition of previously unrecognized (derecognition of previously recognized) deductible temporary differences	5,330	-
	(94)	(1,046)
Tax credit on continuing operations	(94)	(964)

17 INCOME TAX EXPENSE (CONTINUED)

b) Amount recognized in OCI

Items that will not be reclassified to Profit or loss

	2021 - TShs M			2020 - TShs M		
	Before tax	Tax expenses	Net of Tax	Before tax	Tax credit	Net of tax
Remeasurements of defined benefit liability (Note 26)	35	(10)	25	196	(59)	137
Deferred tax charge on payments made against reserve	-			-	(79)	(79)
	35	(10)	25	196	(138)	58

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:

	2021 TShs M	2020 TShs M
Profit / (loss) before tax from continuing operations	2,052	(3,551)
Tax credit	(94)	(964)
Effective rate	4.6%	27.15%

	2021		2020	
Standard tax on current year (loss)/profit	Tax amount 615	Rate 30.00%	Tax amount (1,065)	Rate 30.00%
Tax effect on:				
Depreciation on non-qualifying assets	2	(0.11%)	3	(0.09%)
Expenditure permanently disallowed	46	(2.45%)	96	(2.71%)
Other adjustments	-	0.00%	(1)	0.03%
Profit on sale of non-qualifying assets	-	0.00%	-	0.00%
Deduction against amount previously charged to reserve	-	0.00%	(79)	2.22%
Under / (over) provision of tax for earlier years:				
Corporation tax	-	0.00%	82	(2.30%)
Deferred tax	(757)	(32.04%)	-	0.00%
Effective tax amount and rate reconciled	(94)	(4.6%)	(964)	27.15%

18 DEFERRED TAX

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

	2021 TShs M	2020 TShs M
Accelerated capital allowance	(2,167)	(1,181)
Retirement benefit obligation charged to reserve	-	770
Provisions	445	1,021
Losses	2,457	811
Net deferred income tax assets	735	1,421
The gross movement on the deferred income tax accounts is as follows:		
At 1 January	1,421	513
Credit to the profit or loss statement - Note 17(a)	94	1,046
Charge to the other comprehensive income (OCI)	(10)	(59)
Deferred tax charged direct to equity*	(770)	(79)
At 31 December	735	1,421

* Relates to deferred tax upon extinguishment of retirement benefit obligation that was previously charged to equity

Tax losses

Tax losses carried forward as at 31 December 2021 amounts to TShs 8.2 billion (2020: 2.7 billion)

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:

	2021	2020
Attributable profit/(loss) to ordinary shareholders – TShs	2,146,000,000	(2,587,000,000)
	Number	Number
Weighted average number of ordinary shares	36,000,000	36,000,000
Basic earnings per share - TShs	59.6	(71.9)

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.

	2021	2020
Attributable loss/profit to ordinary shareholders – TShs	2,146,000,000	(2,587,000,000)
	Number	Number
Weighted average number of ordinary shares	36,000,000	36,000,000
Diluted earnings per share – TShs	59.6	71.9

20 DIVIDENDS

	2021 TShs M	2020 TShs M
Dividend	-	-

* The directors propose payment of dividend of TShs 29.8 per share, amounting to TShs 1,073 million out of 2021 profit (2020 – Nil). 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 1,403 million (2020 – TShs 802 million) for Swissport International. Dividend payable to Swissport International Ltd amounting to TShs 1,807 (2020 – TShs 3,210 million) is yet to be paid.

21 (A) PROPERTY AND EQUIPMENT

	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 2021	1,349	4,469	485	20,679	4,966	2,754	34,702
Additions	1,225	-	72	85	144	39	1,565
Transfer in/(out)	(1,349)	-	-	1,349	-	-	-
At 31 December 2021	1,225	4,469	557	22,113	5,110	2,793	36,267
Depreciation							
At 1 January 2021	-	1,807	294	9,740	4,161	2,355	18,357
Charge for the year	-	382	90	1,478	331	147	2,408
Write offs/disposals	-			-			
At 31 December 2021	-	2,189	384	11,218	4,472	2,502	20,765
Net book value							
At 31 December 2021	1,225	2,280	173	10,895	638	291	15,502

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.

	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 2020	2,013	2,675	769	20,108	5,067	2,676	33,308
Additions	1,349	342	62	571	15	175	2,514
Transfer in/(out)	(2,013)	2,013	-	-	-	-	-
Write offs/disposals	-	(561)	(346)		(116)	(97)	(1,120)
At 31 December 2020	1,349	4,469	485	20,679	4,966	2,754	34,702
Depreciation							
At 1 January 2020	-	2,071	555	8,354	3,945	2,252	17,177
Charge for the year	-	297	85	1,386	332	200	2,300
Write offs/disposals	-	(561)	(346)	-	(116)	(97)	(1,120)
At 31 December 2020	-	1,807	294	9,740	4,161	2,355	18,357
Net book value							
At 31 December 2020	1,349	2,662	191	10,939	805	399	16,345

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

21 (B) INTANGIBLE ASSET

	2021 TShs M	2020 TShs M
Intangible asset (IFRIC 12) under construction		
Cost		
At January	25,265	25,265
Additions	752	-
Write off	(752)	-
At December	25,265	25,265
Accumulated amortisation:		
At January	10,755	8,345
Write off	(752)	-
Charge for the year	2,637	2,410
At December	12,640	10,755
Net book value as at the end of the year	12,625	14,510

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 8 years 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

	2021 TShs M	2020 TShs M
Spare parts	230	261
Stationery	71	46
Cleaning materials	18	19
Fuel	55	34
Uniforms	30	63
	404	423

Inventories are not pledged as security.

In 2021, inventories of Tshs 1,673 million (2020: Tshs 1,927 million) were recognised as an expense during the year and included in 'other operating expenses'.

23 TRADE AND OTHER RECEIVABLES

	2021 TShs M	2020 TShs M
Trade receivables	3,109	5,675
Less: Credit impairment	(495)	(2,841)
Trade receivables - net	2,614	2,834
Prepayments	834	306
Deposits and other receivables[1]	-	4,215
Staff receivables - short term	301	228
Staff car loans(*)	173	137
	3,922	7,720

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

(1) In 2020, deposits and other receivables included TShs 4,017 million due from Swissport International Limited (SPI) in relation to Capital Gain Tax (CGT) in respect of underlying change of ownership of Swissport Tanzania Plc after HNA Group Co acquired 100% shares of Aguila 2 S.A.R.L. SPI fully repaid the tax during the year.

(2) The staff car loans exclude TShs 171 million (2020: TShs 148 million) receivable after 1 year.

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

	2021 TShs M	2020 TShs M
At 1 January	2,841	2,558
Charge for the year*	-	283
Write-off**	(2,346)	-
At 31 December	495	2,841

*Charge for the year for 2020 excluded credit impairment for staff loan amounting TShs 29 Million
**Charge for the year is a write-off of long outstanding impairment of Fast Jet

23 TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	2021 TShs M	2020 TShs M
US dollars	1,492	1,399
Tanzanian shillings	1,555	4,224
Euro	62	52
	3,109	5,675

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

	2021 TShs M	2020 TShs M
For the purpose of the cash flow statement, the year-end cash and cash equivalents comprise:		
Cash at bank	7,675	7,719
Cash on hand	13	16
	7,688	7,735

25 SHARE CAPITAL

Authorised:	2021 TShs M	2020 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
Local 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 any General Meeting.

26 RETIREMENT BENEFIT OBLIGATIONS

	2021 TShs M	2020 TShs M
As at 1 January	2,567	3,027
Current service cost	55	82
Interest cost (discount unwinding)	228	310
Actuarial (gain) / (gain)[1]	(35)	(196)
Benefits paid during the year	(1,225)	(422)
Curtailments	76	-
Unclaimed benefits	0	(234)
As at 31 December	1,666	2,567

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 at 31 December 2021 using the Projected Unit Credit Method.

As at 31 December 2021 the present value of the accrued (past service) liability in respect of retirement gratuity benefits was TShs 1,666 million (2020: TShs 2,567 million). The principal assumptions used in the actuarial valuation are:

(i) Discount rate of 11.7% (2020 – 11.5%)
(ii) Rate of salary escalation of 4% (2020 – 4.5%)
(iii) Retirement age 60 years (2020 – 60 years)

The 'notional' Company contribution rate to meet the cost of future accrual of gratuity benefits is estimated at 4% of salaries per annum (2020: 5%). The next valuation is due on 31 December 2022. The 3-year trend of this non-contributory employee gratuity arrangement is as follows:

	2021 TShs M	2020 TShs M	2019 TShs M
Present value of the defined benefit obligation	1,666	2,567	3,027

[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:

	2021 TShs M	2020 TShs M
Current service cost	55	82
Interest cost (discount unwinding)	228	310
Total, included in staff costs (Note 13)	283	392

26 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

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	11.70%	12.20%	11.20%	11.70%	11.70%
Inflation rate	3.50%	3.50%	3.50%	4.00%	3.50%

	Baseline TShs M	Scenario 1 TShs M	Scenario 2 TShs M	Scenario 3 TShs M	Scenario 4 TShs M
Actuarial liability	1,666	1,638	1,695	1,698	1,634
Service cost	6.40%	6.30%	6.50%	6.60%	6.30%

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 2021 is 6.45 years (2020 – 6.37) years.

Retirement contribution plan

	2021 TShs M	2020 TShs M
Contributions to NSSF	860	967
Total	860	967

27 TRADE AND OTHER PAYABLES

	2021 TShs M	2020 TShs M
Airport Authorities – Concession fees	347	281
Trade payable	498	585
Payable to a related party - dividend and other payable (Note 29)	3,546	4,428
Bonus payable	601	41
Dividend payable	2,241	2,280
Other tax payables[1]	224	4,151
Other payables	1,480	2,839
	8,937	14,605

- 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.

(1) In 2020, other tax payables include TShs 4,017 Million in relation to Capital Gain Tax (CGT) in respect of underlying change of ownership of Swissport Tanzania Plc after HNA Group Co acquired 100% shares of Aguila 2 S.A.R.L. During the year, the amount was paid in full.

28 LOAN AND BORROWING

	2021 TShs M	2020 TShs M
Loan movement		
As at 1 January	4,629	-
loan received from SPI	-	4,595
Repayment of loan	(2,018)	-
Interest cost [2]	294	34
Interest paid	(294)	-
	2,611	4,629
Loan classification		
Current portion	2,240	2,055
Non-current portion	371	2,574

(2) 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).

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.

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.

		2021 TShs M	2020 TShs M
(a)	Cargospot charges	36	84
(b)	BIC and IT systems charges	1,090	1,107
(c)	Trade mark fees	444	-
(d)	Insurance recharge	42	21
(e)	Interest on intercompany	294	34
(f)	Intercompany Loan	-	4,595
		1,906	5,841

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.

9 RELATED PARTY DISCLOSURES (CONTINUED)

Transactions with key management personnel (continued)

Compensation to key management personnel:

	2021 TShs M	2020 TShs M
Salaries and short-term benefits	1,880	1,947
Post-employment retirement benefits	756	600
	2,636	2,547

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.

	2021 TShs M	2020 TShs M
Payable to a related party Swissport International Ltd.		
Other payable	1,739	1,218
Dividend payable to SPI	1,807	3,210
Intercompany Loan and Interest	2,611	4,630
	6,157	9,058

(*) 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:

	2021 TShs M	2020 TShs M
Current Directors		
Mr Jeroen de Clercq	12	23
Mr Raymond P Mbilinyi	37	28
Mr Charles Kimei	37	28
Mr Luzius Wirth	21	18
Mr Eric Muriithi	21	18
Mr Dirk Goovaerts[1]	11	-
Mr Mrisho Yassin[1]	-	-
	139	115

[1] Member appointed in the current year

30 LEASES

i. Leases as lessee (IFRS 16)

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

a) Lease liabilities

	2021 TShs M	2020 TShs M
Lease Liability classification		
Current portion	1,174	523
Non-current portion	958	1,510
	2,132	2,033

b) Right-of-use assets

	Buildings	
	2021 TShs M	2020 TShs M
Cost		
Balance at 1 January	1,930	1,099
Additions	898	626
Lease modification	-	870
Depreciation	(730)	(665)
Balance as at 31 December	2,098	1,930

c) Amounts recognised in profit or loss

	2021 TShs M	2020 TShs M
Leases under IFRS 16		
Interest on lease liabilities	301	253
Expenses relating to short-term leases*	366	611
Rent concession**	(204)	(169)

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

** The Company leased office and warehouse spaces at JNIA and KIA. Tanzania Airports Authority (TAA) granted relief on rental charges, and therefore a credit has been recognised in the profit and loss account.

d) Amounts recognised in statement of cash flows

	2021 TShs M	2020 TShs M
Within operating cash flows (interest on lease liabilities)	301	253
Within financing cash flows (payment of principal lease liabilities)	664	450

30 LEASES (CONTINUED)

i Leases as lessee (continued)

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 2.12 billion (TShs 2.03 billion).

f) Rent concessions

The Company negotiated rent concessions with its landlords for the majority of its office leases as a result of the severe impact of the COVID-19 pandemic during the year. The Company applied the practical expedient for COVID-19-related rent concessions consistently to eligible rent concessions relating to its office leases.

The amount recognised in profit or loss for the reporting period to reflect changes in lease payments arising from rent concessions to which the Company has applied the practical expedient for COVID-19-related rent concessions is TShs 204 million (2020: TShs 169 million).

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 2021 was TShs 256 million (2020: TShs 182 million).

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

2021 – Operating leases	TShs M
Less than one year	108
Between one and five years	16
More than five years	-
Total	124

2020 – Operating leases	TShs M
Less than one year	141
Between one and five years	56
More than five years	-
Total	197

31 FINANCE COSTS

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

	2021 TShs M	2020 TShs M
Interest on lease liabilities - Note 30(c)	301	253
Interest on loan (Note 28)	294	34
	595	287

32 COMMITMENTS AND CONTINGENCIES

Capital commitments

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

	2021 TShs M	2020 TShs M
Approval and contracted for	-	871
Approval but not contracted	-	-

Legal claims contingency

As at 31 December 2021, 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 counter-claims against the plaintiffs. The total principal amount claimed in the various lawsuits approximates TShs 624 million (2019: TShs 406 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 will expire on 31 October 2022. However, in the event that the term of the concession is extended the validity of this guarantee shall be 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	
	2021 TShs M	2020 TShs M	2021 TShs M	2020 TShs M
Applicable assets				
Trade and other receivables[1]	3,259	3,545	3,259	3,545
Cash and cash equivalents	7,688	7,735	7,688	7,735
Applicable liabilities				
Trade and other payables[2]	8,937	10,539	8,937	10,539
Borrowing	2,611	4,629	2,611	4,629

(1) Financial assets included are trade receivables, staff receivables, building material, 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.

The management assessed that 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.

MANAGEMENT TEAM

FOR THE YEAR ENDED 31 DECEMBER 2021

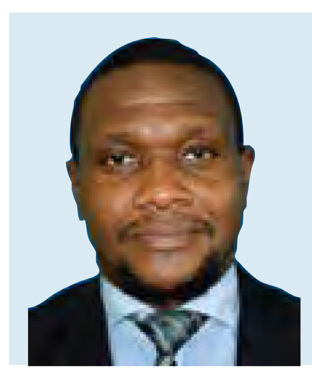
Mrisho B. Yassin, ACPA
Chief Executive Officer

Imani Mtafya, FCCA
Chief Financial Officer

Wandwi Mugesi
Cargo Business Lead

Amina Bilali
Commercial Manager

Shamba Mlanga
Dar es Salaam
Station Manager



Deogratius Haule
Quality and Compliance
Manager

Daniel Jonas
Training Manager

Joyce Jeremiah
Kilimanjaro Station
Manager

Nyakato Mwesigwa
Human Resources
Manager

Godfrey Rweyemamu
Security Business Lead

GENERAL INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2021

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

COMPANY SECRETARY
KW KAPINGA & PARTNERS
Kamanga Wilbert Kapinga
Plot 1, Jitegemee Road
Msasani
PO 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

INTERNAL AUDITOR
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

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

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

First National Bank Tanzania Limited
P.O. Box 72290
FNB House
Ohio Street
Dar es Salaam

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

Swissport Core values

Swissport is a people-focused organisation - without our people we simply cannot meet our goals and achieve our vision. As such, we focus on the principles of sustainability and compliance, living by the "Three Ps".