FROM LANDING
TO TAKE-OFF: WE CARE!

swissport

Swissport Tanzania Plc
ANNUAL REPORT
2018

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LETTER OF TRANSMITTAL

To

The shareholders
Swissport Tanzania Plc.

Letter of Transmittal,

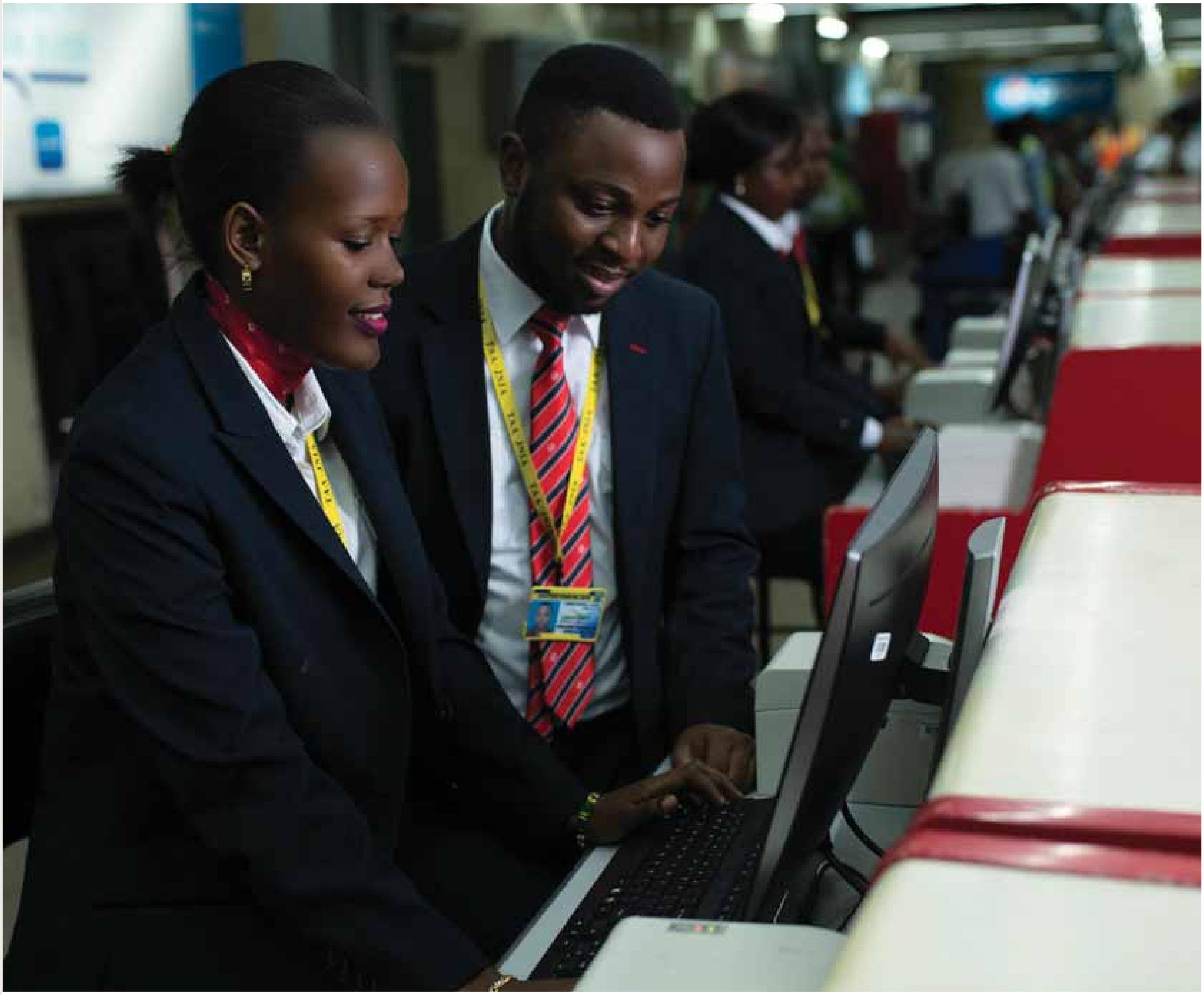
The Directors of Swissport Tanzania Plc. have the pleasure to submit to you the Annual Report of the company for the year ended 31st December 2018, in accordance with section 166 of the Companies Act, CAP 212 Act No. 12 of 2002.

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 2018.

The Directors recommend a final dividend of Tshs 3,730 million equal to Tshs 103.61 per fully issued shares for the year ended 31st December 2018. No interim dividend was declared for the year ended 31st December 2018.

Mark Skinner
Board Chairman
Swissport Tanzania Plc.
April, 2019

FROM LANDING
TO TAKE-OFF: WE CARE!



Swissport Tanzania Plc
ANNUAL REPORT
2018

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

THE CHAIRMAN'S STATEMENT

Esteemed shareholders, customers and other stakeholders,

I am pleased to present the Company's financial report for the year ended 31st December 2018, which indicates a robust and sustainable set of financial results for the Company despite facing a number of commercial challenges brought about by the changes in the ground handling business landscape in Tanzania. The reported financial results demonstrate great perseverance against several drawbacks faced during the year.

As anticipated in previous years, the ground handling market is now fully liberalized in the country. The result has been the introduction of a competitive landscape at our two major stations, Julius Nyerere International Airport (JNIA) and Kilimanjaro International Airport (KIA). At both locations airline customers now have the option to select their preferred ground handler. Typical airline considerations are safety performance, quality standards, customer service and cost. We welcome the competition and we look forward to continue competing in a regulated market providing a fair competitive environment.

Despite the competition, I am happy to report that we have succeeded in retaining the highest percentage of customer portfolio and therefore managed to protect our business. The retention of the majority of our key customers is testimony to the trust that airlines have bestowed upon us.

We commend the Government of Tanzania for reviving the National Flag Carrier (Air Tanzania Company Limited). We recognize this initiative and its importance towards the development of the aviation and tourism industries in Tanzania.

We are looking forward to the launching of Terminal III which we believe will mitigate the infrastructure limitations currently faced at Terminal II. I take this opportunity to congratulate the fifth phase government led by HE President John Pombe Magufuli, the Ministry of Works, Transport & Communications and the Tanzania Airports Authority for this milestone achievement. Our teams are ready to join forces with the Tanzania Airport Authority in the Operational Readiness and Transition (ORAT) exercise to ensure a smooth start of operations at Terminal III.

To complement efforts made by the Government to modernize airport infrastructure, we are planning to upgrade our cold rooms at JNIA, refurbish the export general warehouse at JNIA and if approved by KADCO, to construct a new warehouse at KIA. All of these are planned to enhance the quality of services offered to our esteemed customers and safety of our employees and business partners.

To better align our structures, processes, skills and the responsibilities of our team, Swissport introduced the Swissport 2020 project. Swissport Tanzania has started implementing the project and we look forward to further enhancing our operational capabilities.

Safety has remained our number one priority. We continue to embrace our initiatives for Quality, Health & Safety, Near Miss Reporting, Leaders Wednesday, Safety and Health Improvement Program (SHIP) Flagship and Safety Day were the programs executed to foster our health & safety performance. We are determined to achieve our ultimate goal of zero accidents and zero work related injuries and illnesses. It is of utmost important for us to keep our employees, our customers, our equipment and all around us safe.

In line with our safety and quality improvement plans we continued investing in Ground Support Equipment (GSE), leased facilities and Information Technology. Our focus is to modernize and strengthen the size of our fleet, in accordance with the existing and future operational demand. In parallel, we also invested into D.A.T.E and GS Planning Systems to further improve operational efficiency and optimize the deployment of resources (employees and equipment) as well as the Maximo system for GSE management.

To retain our customers, we shall continue providing high quality services to their satisfaction. This will help us to retain our number one position. To achieve a sustainable future, we shall continue reviewing and adjusting our cost base and exploring and pursuing new business opportunities associated with the completion and launching of Terminal III, as well as the revival of Air Tanzania Company Ltd. We, however understand that there are limited opportunities for growth.

We thank our esteemed customers for their patronage over the years and we appreciate the support we have been enjoying from the Ministry of Works, Transport and Communication, Tanzania Civil Aviation Authority (TCAA), Tanzania Airports Authority (TAA), Kilimanjaro Airport Development Company (KADCO) and the rest of stakeholders. We understand we cannot perform to our standards to meet and exceed customers' expectations without your support.

As a final note I would like to thank all of our employees and the management team for their continued hard work, of course not forgetting my fellow Board Directors for their support.

Mark Skinner
Board Chairman
Swissport Tanzania Plc

TAARIFA YA MWENYEKITI

Ndugu wanahisa, wateja wetu na wadau wote,

Ninayo furaha kuwasilisha ripoti ya fedha ya Kampuni kwa mwaka ulioishia tarehe 31 Desemba 2018 ikionyesha matokeo mazuri ya kibiashara na yaliyo endelevu kwa Kampuni licha ya kukabiliwa na changamoto kadhaa za kibiashara zilizoletwa na mabadiliko ya uwanda wa biashara wa utoaji wa huduma za ardhini kwa ndege hapa Tanzania. Matokeo ya fedha yaliyoripotiwa yanaonesha ushupavu mkubwa dhidi ya vikwazo kadhaa tulivyokabiliana navyo katika mwaka husika.

Kama ilivyotarajiwa tokea miaka iliyopita, soko la utoaji wa huduma za ardhini kwa ndege hivi sasa zinaendeshwa kiushindani hapa nchini na ushindani unazidi kuimarika zaidi katika vituo vyetu vikuu viwili, kiwanja cha ndege cha Kimataifa cha Julius Nyerere (JNIA) na kiwanja cha ndege cha Kimataifa cha Kilimanjaro (KIA), hivi sasa mashirika ya ndege yana hiari ya kuchagua mtoa huduma wanayemtaka kwa kuzingatia bei au Usalama na Ubora au mchanganyiko wa mawili hayo. Tunakaribisha ushindani na nimatarajio yetu kwamba ushindani huu utaendelea kujengwa juu ya misingi ya haki na inayotoa fursa sawa kwa makampuni yote yanayotoa huduma za ardhini kwa ndege.

Licha ya ushindani mkubwa, ninayo furaha kuwajulisha kwamba tulifanikiwa kubakiza asilimia kubwa ya wateja wetu na kwa hivyo tumeweza kulinda biashara yetu. Kubaki huku kwa wateja wetu muhimu ni ushahidi wa imani yao kwa Kampuni yetu katika kuwahudumia.

Tunaipongeza Serikali ya Tanzania kwa kuhuisha Kampuni ya Ndege ya Tanzania (Air Tanzania Company Limited). Tunatambua juhudi za serikali na tunaamini juhudi hizi zinachochea ukuaji wa tasnia za anga na utalii nchini.

Tunasubiri kwa hamu kubwa uzinduzi wa Jengo la Abiria Nambari Tatu ambalo tunaamini litapunguza changamoto za miundombinu zinazotukabili hivi sasa katika Jengo la Abiria Nambari Mbili. Napenda kuchukua fursa hii kuipongeza Serikali ya Awamu ya Tano inayoongozwa na Mheshimiwa Rais Dkt John Pombe Magufuli, Wizara ya Ujenzi, Uchukuzi na Mawasiliano pamoja na Mamlaka ya Viwanja Vya Ndege Tanzania kwa mafanikio haya makubwa. Tupo tayari kuunga mkono juhudi hizi kwa kuungana na Mamlaka ya Viwanja vya Ndege vya Tanzania katika zoezi la Utayari na Uhamaji (ORAT) ili kuhakikisha mwanzo mzuri wa utendaji kazi katika jengo hili jipya.

Katika kuunga mkono juhudi zilizofanywa na Serikali kuboresha miundombinu ya viwanja vya ndege hapa nchini, tunapanga kukarabati na kuboresha bohari letu la kuhifadhia mizigo inayoharibika haraka katika Kiwanja Cha Ndege cha Kimataifa cha Julius Nyerere (JNIA), kukarabati bohari la mizigo isafirishwayo nje ya nchi lililopo JNIA na kujenga bohari jipya pale KIA ikiwa mpango wetu utaidhinishwa na KADCO. Tumepanga yote haya ili kuboresha kiwango cha ubora wa huduma tunazozitoa kwa wateja wetu, usalama wa wafanyakazi wetu na washirika wetu wa biashara.

Ili kuwianisha vizuri miundo yetu, taratibu, ujuzi na majukumu ya timu zetu, Swissport imeanzisha mradi wa ‘Swissport 2020’. Swissport Tanzania imeanza kutekeleza mradi huo na tunatarajia kuimarisha usimamizi wetu wa uendeshaji.

Usalama umeendelea kuwa kipaumbele chetu cha kwanza, kama ilivyo siku zote. Tunaendeleza jitihada zetu za kuboresha Ubora, Afya na Usalama. Katika juhudi za kukuza utendaji kazi wetu katika maeneo ya Afya na Usalama tulitekeleza mipango ifuatayo; Siku ya Usalama, Jumatano ya Kiongozi, Programu ya Uboreshaji wa Usalama na Afya (SHIP) na Utoaji wa taarifa juu ya matukio mazuri au hatarishi kwa usalama. Tunaazimia kufikia lengo letu la msingi la kuondoa kabisa ajali, majeraha na maradhi yatokanayo na kazi. Ni muhimu kwetu kuhakikisha wafanyakazi, wateja, wadau wanaotuzungukana vifaa vyetu viko salama.

Sanjari na mipango yetu ya kuboresha Usalama na Ubora, tuliendelea kuwekeza kwenye vifaa vya kutendea kazi, majengo tuliyokodishiwa na mamlaka ya viwanja vya ndege pamoja na habari na teknologia. Lengo letu ni kusasisha na kuimarisha wingi wa vifaa vyetu viendane na mahitaji ya kazi ya sasa na baadae. Sambamba na hili, pia tumewekeza kwenye mifumo ya D.A.T.E and GS Planning ili kuboresha zaidi ufanisi wa utendaji kazi na kuongeza matumizi ya raslimali (wafanyakazi na vitendea kazi) pamoja na mfumo wa Maximo kwa ajili ya usimamizi wa vifaa vya kutendea kazi.

Ili kuwabakiza wateja wetu, tutaendelea kutoa huduma za ubora wa kiwango cha juu kufikia matarajio ya wateja wetu. Hii itatusaidia kuendelea kushikilia nafasi yetu ya nambari moja. Kama sehemu ya mpango wa kujenga Kampuni imara na endelevu, tutaendelea kupitia na kurekebisha msingi wa gharama zetu, kupeleleza na kukamata fursa mpya za biashara zinazohusiana na kukamilika na uzinduzi wa Jengo la Abiria Nambari Tatu pamoja na uamsho wa Kampuni ya Ndege ya Tanzania (ATCL). Hata na hivyo, tunaelewa kwamba kuna ufinyu wa fursa na ukuaji wa soko letu.

Tunawashukuru wateja wetu kwa kuendelea kutuchagua kuwahudumia kwa miaka mingi. Tunatambua na kuthamini sana mchango kutoka Wizara ya Ujenzi, Uchukuzi na Mawasiliano, Mamlaka ya Usafiri wa Anga Tanzania (TCAA), Mamlaka ya Viwanja Vya Ndege Tanzania (TAA), Kampuni ya Maendeleo ya Viwanja Vya Ndege ya Kilimanjaro (KADCO) na wadau wote wengine katika kutekeleza majukumu yetu. Tunaelewa juhudi zetu pekee hazitoshi kutuwezesha kufikia au kuzidi viwango tarajiwa vya wateja wetu bila mchango wenu.

Ningependa kumalizia kwa kuwashukuru wafanyakazi wetu wote na timu ya menejimenti ya Swissport Tanzania kwa bidii yao na pia bila kusahau Wakurugenzi wenzangu kwa mchango wao katika kuiendeleza Kampuni yetu.

Mark Skinner
Mwenyekiti wa Bodi
Swissport Tanzania Plc

THE CEO REPORT

The ground handling business in Tanzania became more competitive in 2018 and, as expected, our airline customers grabbed the opportunity and were aggressive during contract renewal negotiations. Airlines leveraged on the competition to achieve significant price discounts and set high operational demands on service level agreements. This negatively impacted the ground services business while the cargo handling business remained stable.

Fastjet's dismal performance, the cessation of Etihad operations and the loss of Ethiopian airlines at Kilimanjaro International Airport (KIA), along with Rwandair to the competition, contributed to the decline of our ground handling revenue.

Reduced frequencies by our local carriers to Songwe and Mtwara airports reduced the number of flights handled at the two airports, which also impacted our top line performance.

Because of the aforementioned factors, the Company's revenue in 2018 decreased by 6% while our cost structure remained largely the same due to several measures taken to enhance the welfare of staff and meet service requirements of our esteemed customers. Consequently, the Company's profit margins were negatively impacted.

Despite losing a few airline customers to the competition, we successfully renewed and extended our commercial contracts with Emirates, Swiss International Airlines, Kenya Airways, KLM Cargo, OmanAir, Turkish Airlines, Fastjet Airlines Tanzania Ltd (subsequently, ceased to operate), Air Mozambique, Malawian Airlines and Air Zimbabwe. We are also still handling Ethiopian Airlines at Julius Nyerere International Airport (JNIA). This was made possible due to the fact that we have been able to consistently exceed service expectations and demonstrated the ability to further improve the quality of services offered to our customers. We thank our esteemed customers for the confidence they have bestowed on us and promise to continue serving them with consistently strong performance in the key areas of safety, quality and customer service.

During the year, Swissport International Ltd. introduced the 'Swissport 2020' project; the project is aimed at developing Swissport's ability to serve customers with a consistent service and best-in-class processes according to the principles of our "Swissport Formula". Swissport Tanzania Plc was selected as one of the pilot stations. We are pleased to have started implementing the project in 2019 and that the project has shown positive results. In line with the implementation of Swissport 2020 we expect to have significant changes of personnel managing our processes.

Delivering high standards of quality and safety in our operations is core to our business, hence safety and training compliance remained at the top of our agenda. Health and Safety are fundamental values of the Swissport Formula and we do not compromise on QHSE. We have continued to train our staff in both mandatory and functional training to ensure compliance with regulators' and airlines' requirements. Our training center is ATO certified, which evidenced our commitment to comply with TCAA training center registration requirements.

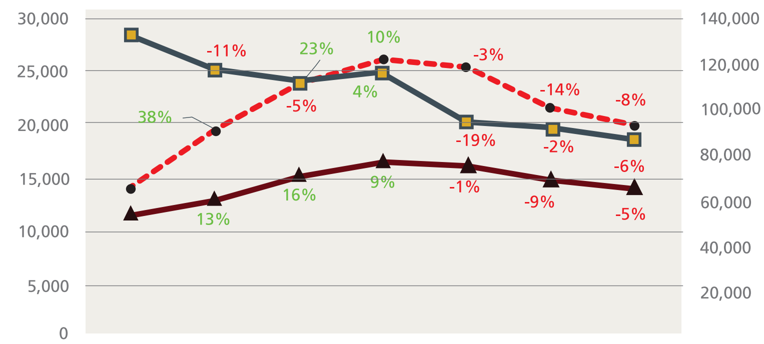
We stick to our roadmap to build upon our safety culture and make Swissport a safer place to work. A number of safety performance improvement initiatives were introduced in the year 2017 to nurture the achievements of safety performance objectives set out in our safety roadmap. The initiatives are very much appreciated by staff, airlines, airport authority and other airport stakeholders. In turn we improved the quality of our services and registered a limited number of safety incidents. We will sustain our training and safety culture and uphold our safety motto, **Safety: Our Duty: Our Life.**

Production

During the year, we handled a total of 14,051 flights from 14,792 flights handled in 2017; this is a decrease of 921 flights or 6% from the number of flights handled in 2017. The decrease was attributed to the dismal performance of Fastjet, the cessation of operations by Etihad, the loss of Ethiopian Airlines at JRO, the loss of Rwandair and a slightly reduced performance by some of our remaining airline customers.

Our cargo tonnage was marginally lower vis-à-vis last year with 18,551 tons of cargo being handled compared to 19,676 tons handled in 2017. This was a decrease of 1,125 tons or 6% from the volume of cargo handled in 2017. The decrease was caused by general decline of import volumes.

Production trends

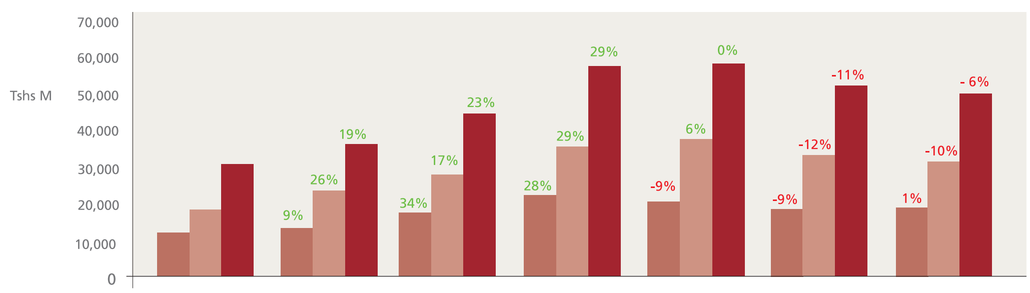


	2012	2013	2014	2015	2016	2017	2018
Cargo (tons)	28,354	25,126	23,908	24,874	20,145	19,676	18,551
Gross flights	11,590	13,098	15,225	16,534	16,299	14,792	14,051
Passengers 10	65,707	90,535	111,116	121,832	118,353	101,325	92,845

Revenue Trend

Ground handling revenue decreased by Tshs 3,133 million, or 10%, to Tshs 29,524 million compared to the Tshs 32,657 million realized in 2017. Cargo revenue, however, increased by Tshs 254 million, or 1%, to Tshs 18,690 million compared to Tshs 18,436 million realized in 2017. Total operating revenue for the year plunged by Tshs 2,879 million, or 6%, to Tshs 48,214 million when compared to Tshs 51,093 million realized in 2017. The decrease in ground handling revenue was attributed to the decrease in the number of flights handled and significant price discounts offered to customers. The increase in cargo revenue was mainly attributable to an increase in storage revenue, which was partially offset by a weakening import/export mix. The export business has lower revenue yield when compared to import business; export volumes increased by 10% while import volumes decreased by 8% during the year.

Revenue Trends



YEARS	2012	2013	2014	2015	2016	2017	2018
CARGO	11,900	12,946	17,318	22,195	20,277	18,436	18,690
GROUND HANDLING	18,525	23,278	27,271	35,161	37,225	32,657	29,524
TOTAL	30,425	36,224	44,589	57,356	57,502	51,093	48,214

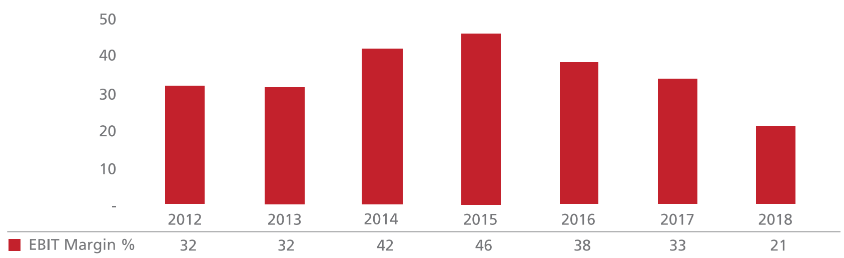
THE CEO REPORT CONTINUED

2018 revenue drop was in line with the Company's budget for the year. Budgeted revenue was Tshs 47.9 billion.

Profitability

The total operating cost for the year was Tshs 37,872 million, which is Tshs 3,321 million, or 10%, higher when compared to Tshs 34,551 million spent in 2017. This was mainly caused by significant impairment of receivable (Fastjet debt), an increase in staff related costs, higher fuel costs, IT related costs and an increase in depreciation from the investments made in 2017 and 2018. Consequently, the Company achieved an EBIT of Tshs 11,016 million, which is Tshs 6,384 million, or 37%, lower when compared to Tshs 17,400 million realized in 2017. The decrease in the reported EBIT was caused by a trickledown effect of a drop in revenue and an increase in operating costs.

EBIT Margin Trends



Provision for impairment of Fastjet receivable of Tshs 2.1 billion was not envisaged, hence impacted our 2018 profitability. Our EBIT excluding Fastjet impact would have been Tshs 13.1 billion. Budgeted EBIT for the year was Tshs 13.2 billion.

Investments

During the year the Company invested Tshs 5.5 billion into Ground Support Equipment (GSEs), vehicles, Information & Communication Technology and leasehold improvement (2017 – Tshs 4.7 billion). These investments were made in compliance with the Company's GSE replacement plan to enhance safety performance and operational efficiency. At present, the average age of the Company's GSE fleet is 3 years. All investments were financed by internally generated cash.

Human Resources and Training of Staff

The financial and operational performance realized during the year has been attained through the commitment of our number one asset – our employees. As a team we have worked tirelessly to better serve our airline customers and in return we have achieved the objectives set in year 2018.

To respond to the declining of the business volume, we made a deliberate decision not to recruit new staff or replace those who retire or resign from the business. With this measure, we were able to reduce our headcount by 41 employees in 2018. Further staff reduction measures will be taken in the year 2019 as a part of our cost reduction initiatives. Our decision was backed up by a thorough analysis of our operational needs based upon SLAs signed with airline customers. We are satisfied that this measure shall not have a negative impact on our operational performance.

In August 2018, we recruited the role of Chief Operating Officer (COO); the position was created to better manage our operations and achieve the desired operational efficiency level.

The efforts to improve staff welfare through training, improved human resources policies, talent management, re-organization, promotion, review of remuneration packages and staff recognition continued to be made.

Our Training Centre has continued to play a vital role in ensuring our operational staff are well trained and certified in their specific area of operations. The efforts to certify our staff are also achieved through working hand in hand with our airline customers and industry regulators.

On 31st July 2018, our Training Center became an Approved Training Organization (ATO) after receiving an ATO certificate from TCAA. This mean that the Swissport Training Center is compliant with TCAA registration requirements and is authorized to offer several aviation courses to the public.

Training records are maintained into the INTELEX system, which flags all non-compliances with business-critical and functional training. To better monitor the performance of the training unit, Swissport International Ltd. established a team of internal auditors who are responsible to audit country performance in relation to training. As a part of the audit the team conducted training survey to establish training gaps. We were audited in 2018, results achieved were very good.

Safety at the Work Place

"Safety: Our Duty, Our Life" Safety has always been our first priority and our target is to reduce work related injuries to our staff, unsafe incidents at operations and aircraft damage events by 15% year on year. Our ultimate goal is to make Swissport safer and a better place to work. To achieve the aforementioned objectives, SPI introduced in 2017 a Safety Roadmap to enhance safety culture within Swissport. Safety initiatives included in our safety roadmap were Near Miss reporting, Leaders' Wednesday, Safety and Health Improvement Program (SHIP) and Safety Days. We continued to implement all safety initiatives at JNIA, KIA and Songwe and consequently have seen positive improvement in the safety culture within the organization.

During the year, we recorded ***NIL aircraft damage incidents*** and we successfully renewed our ***OSHA Certification.*** The number of reported safe and unsafe behaviors increased in line with our policy of empowering employees to report problems and faults without fear of blame; our Just Culture. The reported incidents help us to develop a safety risk matrix and associated action plans to address safety risks facing the Company.

To uphold a strong safety culture, staff are awarded for reporting high numbers of safety incidents and for demonstrating good safety behaviors.

We shall continue embracing safety at our operations until the safety culture becomes part of our DNA and we become an incident free organization. ***"Safety: Our Duty, Our Life".***

Accolades

During the year we received the financial reporting award from the National Board of Accountants and Auditors (NBAA), 2017 best presented financial statements 1st 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 6 years in a row. This demonstrates transparency and compliance in financial reporting.

THE CEO REPORT CONTINUED

We also received the Dar es Salaam Stock Exchange (DSE) member's award 2018, best MIM Company of the year for the non-manufacturing segment.

Competition

The ground handling market in Tanzania is fully liberalized, we are competing at Julius Nyerere and Kilimanjaro International Airports, where our competitor also operates. For the prosperity and sustainable future of the ground handling business we request the Government and the aviation authorities to ensure that the ground handling business is properly regulated and there is a level playing field among ground handlers.

We advise the Government and the aviation authorities to take further steps on liberalization of the ground handling business after being satisfied with the economic impacts of the decision upon the airlines, the ground handling companies and the Government itself.

Future Outlook

We have successfully renewed a significant number of commercial contracts with our airline customers, we are pleased with the achievement and we look forward to continue retaining our customers through the provision of quality services that meet and exceed their expectations.

To respond to the market pressure, all contracts renewed during the year were renewed at discounted rates, this will further impact our top line and we therefore expect further reduction of our revenue in 2019. Our financial projections reflect this fact. In reaction to the expected revenue drop we are pursuing opportunities to improve our top line performance. Some of the opportunities available are tendering for new airline businesses, operating the business lounge at Terminal III and expanding to other airports within the country. However, we recognise the fact that the ground handling market is small with limited growth opportunities.

We further expect number of flights to be handled from our customer base to decline due to the cessation of operations in Tanzania by Fastjet Airlines Tanzania Ltd and Etihad Airways and the loss of business to the competition. We however, expect cargo volume and margins to remain stable.

Cost control will be of paramount importance in 2019. This will help us to reduce company's operating costs to cope with top line pressure. Some of the cost control measures that we have started implementing in 2019 include a reduction of staff numbers, releasing permanent and pensionable employees, the outsourcing of staff transport and a review of various operating cost drivers. We are confident of achieving significant cost savings.

During the past 3 years we invested heavily in Ground Handling Support Equipment (GSE) and we therefore believe we have the appropriate amount of equipment needed to manage our current business and retain the potential to expand as necessary. Very minimal investments will be made on GSEs in 2019, we do, however, expect to spend € 1.0 million (Tshs 2.6 billion) to upgrade our cold rooms and general export facility at JNIA and, if we obtain the approval from KADCO, to construct a new warehouse at KIA. The existing warehouse facility at KIA is dilapidated and unsafe for use.

Further to the above we believe our strategies toward customer retention, enhancing quality of services, enhancing operational efficiency, cost leadership, investments, staff training, safety and staff development and remunerations are yielding positive results. We shall, therefore, continue reassessing and fine tuning our strategies from time to time for the sustainability of the business.

Terminal III shall be opened soon and we look forward to capitalize on the new opportunities to grow our business and the infrastructure to improve operational efficiency and service delivery. We shall also use the opportunity to establish new sources of revenues from the traditional ground handling services.

We commend the efforts made by the Government to revive the national flag carrier (Air Tanzania Company Limited). The efforts will result to a significant growth of the aviation and tourism sectors in Tanzania. We are therefore keen to explore business opportunities associated with this interesting development.

Appreciation

I thank our esteemed customers for showing confidence in us and their continued engagement with us, the Board of Directors and all our stakeholders for their support during year 2018. A special thanks to staff and the management colleagues for their commitment and hard work during the year.

I bank on your continued support going forward.

Asante Sana!

Mrisho Yassin
Chief Executive Officer

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors submit their report together with the audited financial statements for the year ended 31 December 2018, 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 2018, except where otherwise stated, are:

Chairman
Mr Mark Skinner
British
Chairman (June, 2016)
Representing SPI*

Director
Mr Jeroen de Clercq
Dutch
Director (June, 2006)
Representing SPI*

Director
Mr Rene Sutter
Swiss
Director (June, 2017)
Representing SPI*

Director
Mrs Sujata Jaffer
Tanzanian
Director (April, 2016)
Representing local shareholders

Director
Mr Raymond P Mbilinyi
Tanzanian
Director (April, 2016)
Representing local shareholders

* SPI: Swissport International Ltd.

1 DIRECTORS (CONTINUED)

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

All the directors are non-executive directors, 3 directors are representing Swissport International Ltd (SPI) and are senior executives at SPI and 2 directors are representing local shareholders.

Directors' interest in the shares of the Company

One of the directors representing local shareholders has interest in issued and fully paid up shares of the Company as shown below:

Name	Shares	Shares
	2018	2017
1 Mr Raymond P Mbilinyi	**140**	140

Directors' remuneration

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

	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:

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

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

Fees for the directors representing SPI are paid directly to SPI and not to the individual directors.

2 COMPANY SHAREHOLDINGS

As at 31 December 2018 the Company had 10,812 shareholders (31 December 2017 –10,901 shareholders). 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	Parastatal Pensions Fund	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

2 COMPANY SHAREHOLDING (CONTINUED)

As at 31 December 2017 the Company had 10,901 shareholders (31 December 2016 – 11,043 shareholders). Ten major shareholders of the Company are listed below:

	Name	Nationality	% of Holding
1	Swissport International Ltd.	Swiss	51
2	National Social Security Fund	Tanzanian	5
3	Public Service Pensions Fund	Tanzanian	4
4	SCB (T) Nominee Ltd Standard Chartered Bank	Tanzanian	4
5	Parastatal Pensions Fund	Tanzanian	3
6	SBSA ACC Barca Global Master Fund LP	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	G.A.K. Patel & Co. Limited	Tanzanian	1
10	Social Action Trust Fund	Tanzanian	1

3 ACCOUNTING PERIOD

The Company's accounting circle is January to December. The financial information presented in these financial statements are for the year ended 31 December 2018 together with the comparative information for the year ended 31 December 2017.

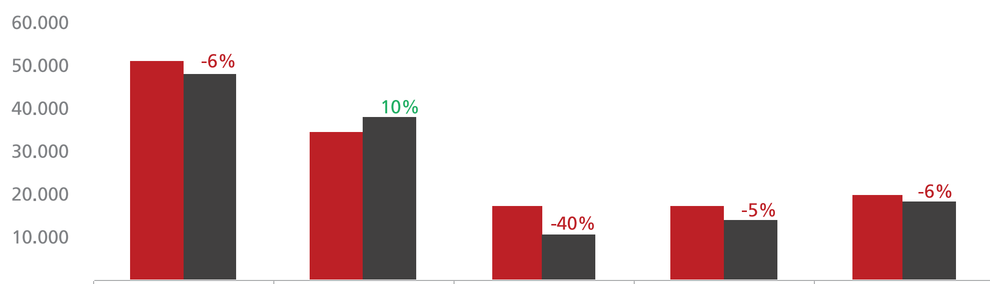
4 ACTIVITIES

The Company's principal activities are the provision of airport ground handling and cargo handling services. The Company is presently operating at Julius Nyerere, Kilimanjaro, Songwe and Mtwara Airports. The execution of the existing expansion plans may lead to the application of concession to operate at any other airport in the United Republic of Tanzania.

5 OPERATING AND FINANCIAL REVIEW

2018 was a challenging year for the Company due to the evolving and challenging business environment brought about by the competition and reduced operational performance by a few of our airline customers. Despite of the challenges faced the Company, efforts were intensified to protect the market share as well as profit margins.

Operational and Financial Overview



	Revenue (Tshs, Millions)	Cost (Tshs, Millions)	EBIT (Tshs, Millions)	Flights (Numbers)	Cargo (Tons)
2017	51.093	34.551	17.400	14.792	19.676
2018	48.214	37.872	11.016	14.051	18.551

5 OPERATING AND FINANCIAL REVIEW (CONTINUED)

Revenue for the year decreased by 6% from the revenue realized in year 2017. This was caused by a decrease in the number of flights handled during the year, the cessation of operations by Etihad Airways, the loss of a number of airline customers to the competition and discounts offered to airline customers. The loss of cargo revenue, due to the decrease of cargo volume, was offset by the increase in storage revenue.

Ground handling services

Ground handling revenue decreased by 10% when compared to year 2017. This was a result of the decrease in the number of flights handled, the cessation of operations by Etihad Airways, the loss of a number of airline customers to the competition and discounts offered to airline customers.

During the year the Company handled 14,051 flights (2017 – 14,792 flights).

Revenue realized from ground handling services of Tshs 29,524 million was 4% lower, when compared to the budgeted revenue of Tshs 30,619 million.

Cargo handling services

Revenue from cargo services increased by 1%, when compared to year 2017. The increase was attributed by the increase in storage revenue.

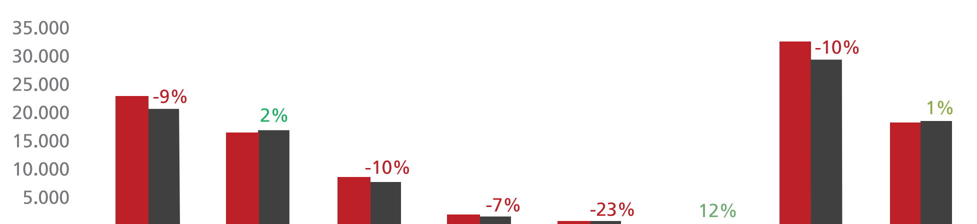
The volume of cargo handled during the year decreased by 6% from 19,676 tons handled in 2017 to 18,551 tons handled in 2018. The decrease was mainly caused by a decrease in the import and export of general cargo. The loss of cargo revenue, due to the decrease of cargo volume, was offset by the increase in storage revenue.

Revenue realized from cargo handling services of Tshs 18,690 million was 8% above budgeted revenue of Tshs 17,299 million.

The Company's JNIA and KIA operations remained to be the main contributors to the Company's revenue while Songwe and Mtwara operations contributed less.

Revenue realised from ground handling (GH) and cargo handling services (CH) operations at Julius Nyerere International Airport (DAR), Kilimanjaro International Airport (JRO), Songwe International Airport (MBI) and Mtwara (MYW) are as follows:

Revenue by Business Line



	DAR - GH	DAR - CH	JRO - GH	JRO-CH	SONGWE GH	MTWARA GH	TOTAL - GH	TOTAL - CH
FY 2017	22.893	16.588	8.746	1.848	958	60	32.657	18.436
FY 2018	20.887	16.964	7.830	1.726	740	67	29.524	18.690

5 OPERATING AND FINANCIAL REVIEW (CONTINUED)

Profitability

During the year, the Company achieved an EBT of Tshs 10,765 million, which was Tshs 6,282 million or 37% lower when compared to Tshs 17,047 million realized in 2017. The drop in EBT margin was caused by a trickledown effect of a drop in revenue, an increase in the provision for impairment of receivables, an increase in fuel costs, IT recharges and an increase in staff related costs. The provision of the impairment of receivables of Tshs 2,112 million was charged as an expense in 2018 (2017 – Nil).

Cash flow

The Company generated enough cash flow from its operations to maintain a positive free cash flow position. During the year the Company generated Tshs 11,260 million from its operating activities (2017 – Tshs 3,451 million). The increase in the cash flow from operations was mainly driven by the decrease in trade and other payables. In 2017, the Company used significant amount of cash to settle long outstanding trade payables.

Investments

During the year, the Company invested Tshs 5,458 million into Ground Support Equipment (GSE), vehicles, Information & Communication Technology and leasehold improvement (2017 – Tshs 4,673 million).

In 2017 we developed a design to enable us to convert the present loading and offloading area of our cold rooms, at JNIA, into a temperature controlled environment, to ensure perishable products are handled well and to avoid breaking the cold chain. The implementation of the project was delayed and shall now be implemented in Q2 of 2019.

We initiated discussions with KADCO to see how best we can improve the conditions of cargo handling facilities at KIA. The discussions are ongoing and may be finalized in 2019.

The Company will continue investing in GSE, People, Safety, Training and ICT in order to enhance the quality of our services with the view of serving our customers better.

Airline performance and retention

With the exception of Fastjet Airlines Tanzania Ltd, and the loss of a number of airline customers to the competition, most of the Company's airline customers performed to the expected level and the Company managed to retain a significant number of customers.

The Company's operational performance was firmly measured by our customers by using set of agreed Key Performance Indicators (KPIs), which to a great extent were achieved.

Overall Performance

During the year, the Company achieved its objectives in respect of the financial performance, customer retention, quality, health, safety, security and environment (QHSSE) performance, training, compliance, investments and staff development. These achievements help the Company to enhance the quality of services offered to airline customers and its relationship with the customers.

5 OPERATING AND FINANCIAL REVIEW (CONTINUED)

Overall performance (Continued)

The Company also faced various operational and commercial challenges. Long and short-term strategies such as meeting and discussing commercial and operational issues with customers, business re-organization, training of staff and acquisition of operating equipment were implemented to address the challenges faced by the Company. The challenges were fully addressed and had no significant impact on the Company's financial performance and its cash flow.

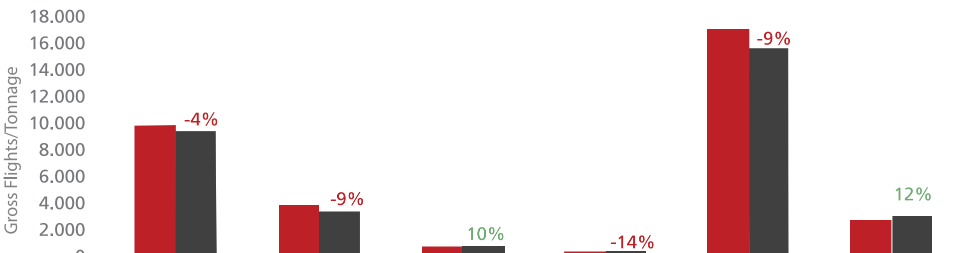
The Company's financial performance depends largely on the production volumes of the airlines. We therefore have no full control of the business. In view of this, our top line is influenced by the airline performance while we have control of our costs. It is due to this that we consistently implementing cost control initiatives which in return sustain the financial performance of the Company. As the business evolves, the Company is constantly working on proactive cost saving and revenue increase initiatives.

The significant uncertainties to our business are the loss of airline customers and/ or variation in production volumes (flights and tonnage). In the happening of one of these events our financial performance could be affected. However, we always react by reviewing our cost structure and by implementing strong cost cutting measures to reduce the possible impact of the business loss.

The main source of funding for the business is cash from operations, however, where there is a need for additional funding, bank loans, head office loans and any other sources approved by the Board will be used to fund the additional requirements.

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

Statistics by Station



	DAR - Gross Flights	JRO - Gross Flights	SONGWE - Gross Flights	MTWARA - Gross Flights	DAR - Cargo Tonnage	JRO - Cargo Tonnage
FY 2017	9.835	3.784	762	411	16.891	2.783
FY 2018	9.413	3.442	842	354	15.421	3.130

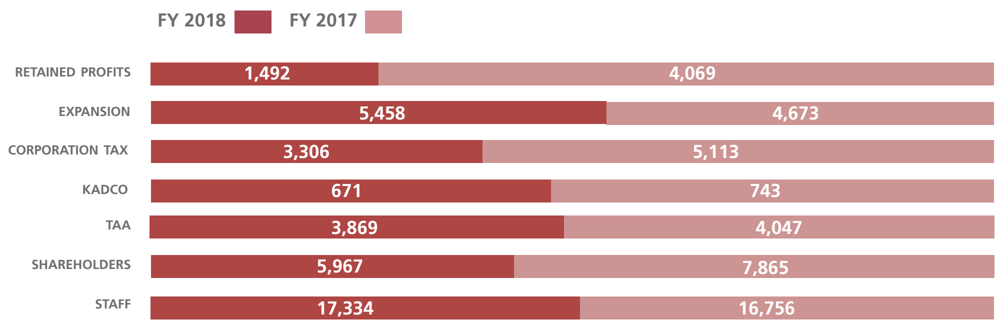
6 VALUE ADDED STATEMENT

The value generated by the Company is distributed as follows:

	2018 Tshs M	2017 Tshs M
Revenue (including other operating income)	**48,637**	51,598
Purchase of materials (fuel, maintenance, rent and others purchases)	**(10,541)**	(8,332)
Value Added	**38,096**	43,266

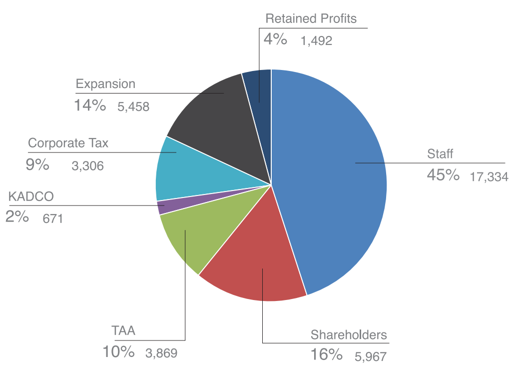
6 VALUE ADDED STATEMENT (CONTINUED)

Value added statement

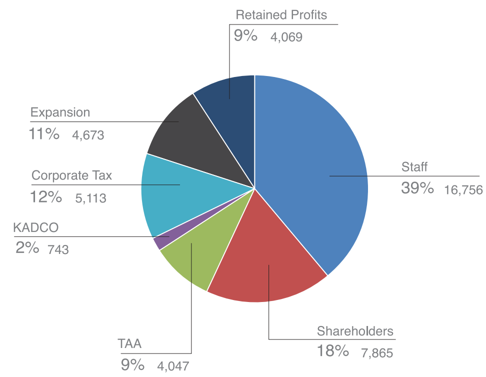


Value Added Distribution - Amounts in Tshs M

FY 2018



FY 2017



7 FUTURE DEVELOPMENTS

Short and long-term plans are prepared to provide future direction of the Company. The directors are fully aware of the ongoing developments within the aviation industry in Tanzania and are prepared to explore new opportunities and overcome the challenges brought about by the changes.

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 and complementing efforts taken the by Government.

The Company's 5 years business plan projects stable performance going forward.

8 COMPETITION

The ground handling business at Julius Nyerere International Airport (JNIA) and Kilimanjaro International Airport (KIA) are fully liberalised. 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 exclusively cargo handling services at JNIA. Swissport Tanzania Plc is the only provider of ground handling and cargo handling services at Songwe and Mtwara airports.

As per the Tanzania Civil Aviation Authority (TCAA) Board Decision of 2016, 3 ground and cargo handlers are allowed to operate at JNIA and 2 operators are allowed to operate at KIA. The Authority has provided for only one handler in Songwe and Mtwara stations. The directors made an estimate of the financial impact of the competition and made

8 COMPETITION (CONTINUED)

full provision of the impact in its 2019 financial plans. The impact is expected to be significant.

The directors have formulated several plans and strategies that will provide consistent performance in a competitive environment. Customer retention by offering enhanced quality services to airline customers, pursuing new revenue opportunities and cost reduction are key steps taken by the Company to address the negative impact of the competition.

9 RESULTS AND DIVIDENDS

The Company achieved a net profit for the year of Tshs 7,459 million (2017 – Tshs 11,934 million). The directors have approved a dividend of Tshs 3,730 million equal to Tshs 103.61 per issued and fully paid in share (2017 – dividend of Tshs 5,967 million equal to Tshs 165.75 per issued and fully paid in share). The amount approved to be paid as dividends represents 50% of the net profit after tax.

No interim dividend was approved in 2018 (2017 – Nil), the decision was made by the Board to ease cash flow pressure and allow the Company to effectively meet its maturing commitments.

10 SOLVENCY

The Company's state of affairs at 31 December 2018 is set out on page 41 of the financial statements. The cash flow forecast shows that the Company will be able to meet both its short term and long-term liabilities as they fall due.

11 LIQUIDITY

The Company has a strong liquidity position. Financial obligations of the Company are mainly met by the use of internally generated cash flows and supported by a bank loan acquired in January 2017 from FNB bank. The Company has not acquired any other loan from either the financial institutions or the holding company.

A need for a bank loan was envisaged at the initial stage of the construction of the warehouse project. Therefore, a bank loan of US$ 3.5 million at an annual interest rate of 3-month LIBOR plus 5.6% was applied for and approved by FNB bank in year 2013. The signing of the agreement was concluded in January 2017 and the Company subsequently made a drawdown of US$ 3 million.

The authorized share capital of the Company is Tshs 500 million divided into 50 million ordinary shares of Tshs 10 each. The issued and paid up share capital of the Company is Tshs 360 million divided into 36 million ordinary shares of Tshs 10 each. The law requires the Company to have 35% of its share capital owned by a local shareholder. 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.

12 USES OF FUNDS AVAILABLE

Cash and cash equivalents held by the Company are used to settle maturing obligations and approved dividends, settling investment commitments and where necessary excess cash is invested into fixed deposit or call account. Cash available is restricted from the use by the group.

13 STOCK EXCHANGE INFORMATION

Shares of the Company are listed at DSE and 49% of the Company's issued shares are actively traded as free float. In the year 2018, the performance of the Company's shares in the secondary market was as follows: Market capitalization as at 31 December 2018 was Tshs 95,760 million (2017 – Tshs 126,000 million), total turnover of Company's shares at DSE was Tshs 2,475 million (2017 – Tshs 3,495 million), average price of Company shares was Tshs 3,080 (2017 – Tshs 4,890) and the closing share price as at 31 December 2018 was Tshs 2,660 per share (2017 – Tshs 3,500). (IPO price in 2003 was Tshs 225 per share).

14 DISABLED PERSONS

It is the Company's policy to accept disabled persons for employment for those vacancies that they are able to fill. The Company also maintains its policy of continued employment of employees who become disabled while in service. At 31 December 2018, the Company had 3 disabled employees (2017 – 4 disabled employees).

15 TRAINING

The aviation industry involves highly sensitive operations in nature and if a person is not properly instructed in execution it could potentially lead to damage of expensive equipment/aircraft, injuries and fatalities. Personnel in the aviation industry should at all times remain compliant with the Security and Safety aspects, which are both provided for by the Industry Regulators (ICAO, IATA and TCAA) as well as the players (Airlines). With this the Company has a training unit, which is headed by the Training Manager assisted by the training teams in the respective stations who oversee the training needs for the entire Company. The Manager receives annual training needs from each department and compiles a Companywide training plan. Training is offered to all employees according to the needs without segregation. However, priority is given to all mandatory training as required by the airline industry and/or by the individual airline. Compliance to mandatory and functional training is managed through the INTELEX system. Internal trainings are provided free through our training centre.

Swissport Training Centre (IATA ATC) continued to operate and provide training to our own staff and as well as the general public. IATA courses and several other aviation courses were offered in 2018. The centre became an Approved Training Organisation (ATO) in July 2018 after receiving an ATO certificate from TCAA.

During the year the Company spent Tshs 240 million in external training (2017 – Tshs 227 million). Focus remains on building our capacity and we aim to achieve the intended objective of providing better training facilities for the employees, reduction of training costs and providing training opportunities to various stakeholders in the aviation industry.

16 STAFF PERFORMANCE MANAGEMENT

Performance of staff at all levels is reviewed annually based on pre-agreed goals and Key Performance Indicators (KPIs). Performance management process for all key management staff and Head of Units is managed using TALEO system. A well-designed manual system is used to evaluate the performance of all other staff.

17 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 3 December 2023.

18 CONCESSION AGREEMENTS

The Company has concession agreements with the Tanzania Airports Authority (TAA) to operate at Julius Nyerere (JNIA), Songwe, and Mtwara Airports 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	January 2020
Kilimanjaro International Airport	December 2019
Songwe Airport	June 2019
Mtwara Airport	June 2019

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

19 EMPLOYEE WELFARE

(a) Relationship between management and employees

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

The existing agreement between COTWU and the management (CBA) provides details of employees' benefits. Employees' benefits are paid as stipulated in the agreement. Three years agreement to year 2020 was signed on 20 July 2017.

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 stipulate 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 the 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 and the financial results.

(b) 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).

(c) Medical facilities

We have an agreement with National Health Insurance Fund (NHIF) where all staff are covered.

(d) Uniforms and protective gears

To ensure that our 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.

(e) Employee benefits (Pension obligations – defined contribution plan)

All permanent and pensionable employees were members of the Parastatal Pension

19 EMPLOYEE WELFARE (CONTINUED)

Fund (PPF). Contract staff had an option to join any scheme, however, the majority were members of the National Social Security Fund (NSSF) and some were members of PPF, the Local Authority Pension Fund (LAPF) and the Government Employees Provident fund (GEPF). The Company contributes 15% of basic salary to PPF and 10% of gross salary to NSSF, PPF, LPF and GEPF on behalf of permanent and pensionable and contract employees respectively.

To comply with the amended social security law, all future pension contributions of the Company's employees shall be made to NSSF effective April 2019.

(f) Employee benefits (Pension obligations – defined benefit plan)
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 22 to the financial statements.

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

(h) Workers' compensation fund (WCF)
As required by the law, we contribute on monthly basis 1% of an employee's gross salary towards workers' compensation fund. The fund compensates employees for all work-related hazards.

(i) Swissport SACCOS
Swissport employees, with the support of the management, established Swissport SACCOS in 2005, whichere employees are free to join. SACCOS is meant to help employees build a culture of saving, secure short- term and soft loans. Management of SACCOS is under the independent SACCOS management, which is overseen by the SACCOS board. Overall operations of SACCOS is indirectly being monitored closely by the management. SACCOS took a 5 years loan of Tshs 700 million from PPF in 2014 and the money was lent to willing staff who are members of SACCOS. The loan is repaid back through monthly payroll deductions. SACCOS is financially sound and has adequate funds to lend to its members.

20 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 SPI and the Board of Directors. During the implementation of the planned investment plan, investment requests are raised by the CFO and approved by either the CEO or SPI; the approval level is determined by the approved limits set by SPI.

The Company continued with its initiatives to modernise its ground support equipment. In the year 2018, the Company invested Tshs 5,458 million into Ground Support Equipment (GSE), vehicles, Information & Communication Technology and leasehold improvement (2017 – Tshs 4,673 million). Details of the investments are provided in Note 17 to the financial statements.

21 RELATIONSHIP WITH STAKEHOLDERS

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

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

22 ACCOUNTING POLICIES

Accounting policies applied are consistent, unless where new standards have been applied. New standards applied in 2018 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.

23 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 and insurance recharges, the Company does not have other significant 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 are provided on page 16. The key management personnel of the Company are:

	Name	Title
1	Mr Mrisho Yassin	Chief Executive Officer
2	Mr Brendan Cummings	Chief Operating Officer (recruited in August 2018)
3	Mr Humphrey Samanya	Ag. Chief Financial Officer
4	Ms Stella Kitali	Ground Handling Manager
5	Mr Wandwi Mugesi	Cargo Business Lead
6	Mr James Mhagama	Corporate Services Manager
7	Ms Amina Bilali	Commercial Manager
8	Mr Shamba Mlanga	Kilimanjaro Station Manager
9	Mr Daniel Simkanga	Quality and Compliance Manager
10	Mr Daniel Jonas	Training Manager
11	Mr Jumbe Onjero	Human Resource Manager
12	Mr Godfrey Rweyemamu	Security Business Lead
13	Mr Konyagi Jandwa	Head of Information, Communication and Technology

Detailed financial information with related parties are provided in Note 25 to the financial statements.

24 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 year 2017 and the renewed certificates for ISO 9001:2015 and 14001:2015 are valid up to December 2020 and November 2020 respectively.

24 PROCESS MANAGEMENT (CONTINUED)

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

25 IATA SAFETY AUDIT FOR GROUND OPERATIONS (ISAGO)

The Company was audited by IATA and subsequently approved as ISAGO compliant and received accredited certificates from IATA for JNIA and KIA on 11th June 2017 and 15th July 2017 respectively. 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.

26 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**.

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.

27 SAFETY

Safety and Health Management System implementation is governed by the corporate policy whose objectives are achieved through the implementation of the Safety and Health Management Manual, which is further, summarized in the Standard Managing Procedures (SMP) which makes the implementation of the System easier and effective.

The safety management system is structured in the manner that ensures that everyone participates in ensuring safety within the Company. We always ensure compliance with Swissport’s safety requirements and customer airlines and Authorities’ Safety requirements.

To ensure safety is enhanced and maintained, safety campaigns are carried out from time to time. Safety alerts and posters are issued to sensitize staff. Safety inspections and audits are done from time to time and incidents are collected and analysed to assess the effectiveness of SMS. No major safety incident was recorded in year 2018 (2017 – Nil).

In 2017, Swissport took a step further to improve the safety in our work place with the objective of reducing the number of safety incidents by 50% in the next 3 years. With this objective, the SHIP (Safety Health Improvement Program) was launched in Swissport

27 SAFETY (CONTINUED)

Tanzania Plc in 2017 which is basically a facilitation program which will help to engage our people by creating awareness, developing knowledge and ensuring proactive safety leadership. The program has also helped the team to develop together quick wins and has resulted in the improvement of safety as well as safety culture. The program also engaged the senior management team, who have committed to supporting the program and together ensure the achievement of the overall objective. It was initially realized that a culture change has to be made in the working environment, where safety is a value added component to business performance; it is a way of doing business and above all it is everyone's responsibility. We would like to ensure that everyone is going home safe and healthy every day.

28 ENVIRONMENT

The Company has implemented the Environmental Management System (EMS), which provides a mechanism for environmental management throughout the Company. EMS is designed to address environmental aspects that may influence our operations. These include those, which can be controlled and directly managed, and those, which cannot. Like any other Management systems, EMS is governed by the environmental policy.

The Company environmental policy is designed to ensure compliance with the existing environmental regulations and any other instructions issued within the aviation industry.

No project is implemented without a thorough assessment of its impact to the environment and necessary approvals are obtained.

29 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 also set aside a budget of Tshs 100 million for supporting various community development initiatives.

During year 2018, the Company provided various support to the community totalling Tshs 39 million (2017 – Tshs 30 million)

30 STATIONS MANAGEMENT

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

JNIA and KIA have full accounting functions, while accounting functions for Songwe and Mtwara are performed at JNIA. The Company's CFO is responsible for all accounting functions.

31 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; all of them are non-executive directors hence not involved in the day to day running of the business. All 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 2018 (2017 – two board meetings), which were attended by the Chief Executive Officer and Chief Financial Officer. Mr Mark Skinner chairs the Board and he is 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 25 to the financial statements.

iii) Relations with shareholders

The Board places considerable importance on effective communication with shareholders. All shareholders have access to the annual report and financial statements. Other important information about the Company can be accessed by shareholders through the Company's newsletters/bulletins "Oasis" issued from time to time and through Swissport International Ltd.'s website www.swissport.com. The Board uses the Annual General Meeting to communicate with institutional and private investors and welcomes their participation.

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.

31 CORPORATE GOVERNANCE (CONTINUED)

During the year the Board Audit Committee comprised of three directors; Mr Raymond P Mbilinyi, Ms.Sujata Jaffer and Mr Jeroen de Clercq, a director representing Swissport International. The committee met three times during 2018 (2017 – three times) where the Chief Executive Officer, the Chief Financial Officer and the Internal Auditors attended. A representative of the Company's external auditors attended two meetings (2017 – two meetings). The Audit Committee is chaired by Mr Jeroen de Clercq.

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 auditors, approves their remuneration and discusses the nature, scope and results of the audit with the external auditors.

v) Attendance of the Board and Audit Committee meetings

Directors

	Name	87th BOD meeting	88th BOD meeting	38th BAC meeting	39th BAC meeting	40th BAC meeting
1	Mr Mark Skinner	√	√	*	*	*
2	Mrs Sujata Jaffer	X	√	√	√	√
3	Mr Raymond P Mbilinyi	√	√	√	√	√
4	Mr Jeroen de Clercq	√	√	√	√	√
5	Mr Rene Sutter	√	√	*	*	*

*not a member; √ attended the meeting; X absent with apology

32 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.

33 AUDITORS

The auditors, KPMG, have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing the re-appointment of KPMG as auditors of the Company for year 2019 will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

Mr Mark Skinner
Chairman of the Board of Directors

Date: 8th April 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018, and the statements of profit or loss and other comprehensive income, changes in equity and 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 enable the preparation of 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 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.

The auditors are 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 by the board of directors' on 8th April 2019 and signed by:

Mr. Mark Skinner
Chairman of the Board of Directors

DECLARATION OF CHIEF FINANCIAL OFFICER

FOR THE YEAR ENDED 31 DECEMBER 2018

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 Chief Financial Officer 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 Humphrey Samanya being the Chief Financial Officer of Swissport Tanzania Plc hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2018 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: Humphrey Samanya
Position:Ag. Chief Financial Officer
NBAA Membership No: ACPA 1120

Date: 8th April 2019


swissport

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SWISSPORT TANZANIA PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Swissport Tanzania Plc ("the Company"), set out on pages 40 to 80, which comprise the statement of financial position as at 31 December 2018, the statements of profit or loss and other comprehensive income, changes in equity and 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 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (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 judgement, 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.

Valuation of the retirement benefit obligation

Refer to note 2(v)(ii) and note 22 to the financial statements

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,

based on the length of service and salary at retirement. This arrangement qualifies as a defined benefit plan in terms of IAS 19 *Employee Benefits.*

A firm of professional actuaries, performed an actuarial valuation on behalf of the Company in respect of this defined benefit plan.

Due to the cash flow risk attached to the unfunded nature of this obligation since no separate fund is set aside to meet the retirement benefit obligations when they fall due, and the high level of judgement and estimation involved in valuation of the arrangement by the actuary, this was considered a key audit matter.

How the matter was addressed in audit

Our audit procedures in this area included, among others:

- Involving our valuation and actuarial specialists to assist the audit team in evaluating the actuarial valuation performed by the Company's actuaries and challenging the assumptions applied by comparing inputs in the valuation to the 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.*

Revenue recognition	
Refer to note 2(b) and note 6 to the financial statements	
Key audit matter	**How the matter was addressed in audit**
Revenue of the Company is comprised 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, hence, the risk of fraudulent revenue recognition.	Our audit procedures in this area included, among others: • Involving our IT specialists in testing general and application IT controls around the cargo spot system and determining whether the recorded revenue agrees with the reports from the cargo spot system. Furthermore, we assessed whether the charging rates as per the system agree to approved price list; • For manual controls in respect of ground handling revenue, testing whether they are appropriately designed to prevent, detect and correct material errors and irregularities in revenue recognition. The controls tested included the management's review of reconciliations between sales ledgers, billing schedules and daily flight reports. These controls are designed to ensure that the recognized revenue is appropriate; • Testing whether the recognized revenue agrees with the charging rates in the customer contracts and approved airway bills; and • Evaluating the revenue recognition policy for compliance with the applicable accounting standard and whether this has been applied accurately.

Other Information

The directors are responsible for the other information. The other information comprises the General information, The Chairman's Statement, Chief Executive Officer (CEO) Report, Report of Directors, Statement of Directors' Responsibilities and Declaration of Chief Financial Officer. The other information does not include the financial statements and our auditors' 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.

Directors Responsibilities for the Financial Statements

As stated on page 32, the directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2002, and for such internal control as 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, 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Directors are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SWISSPORT TANZANIA PLC (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 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 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, related safeguards.

From the matters communicated with 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 auditors' 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; and
- we obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

KPMG
Certified Public Accountants (T)

……………………………………….

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

Date: 8th April 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

		Notes	2018 Tshs M	2017 Tshs M
Revenue		6	**48,214**	51,093
Other operating income		7	**423**	505
Staff costs		8	**(17,334)**	(16,756)
Concession fees		9	**(4,539)**	(4,790)
Fuel and maintenance costs			**(2,285)**	(1,964)
Depreciation of property and equipment		17(a)	**(2,469)**	(2,287)
Amortization of intangible assets		17(b)	**(2,383)**	(2,410)
Rent and other occupancy costs		11	**(1,463)**	(1,603)
Provision for bad debts		19	**(2,112)**	-
Interest expense			**(251)**	(353)
Other operating expenses		12	**(5,036)**	(4,388)
Operating profit before income tax			**10,765**	17,047
Income tax expense		13	**(3,306)**	(5,113)
Profit for the year			**7,459**	11,934
Other comprehensive income:				
Actuarial gain/(loss)			**291**	36
Deferred income tax			**(87)**	(11)
Total other comprehensive income net of tax			**204**	25
Total comprehensive income for the year			**7,663**	11,959
Earnings per shares (TShs)	– Basic	15	**207.2**	331.5
	– Diluted	15	**207.2**	331.5

STATEMENT OF FINANCIAL POSITION

AS AT
31 DECEMBER 2018

	Notes	2018 Tshs M	2017 Tshs M
ASSETS			
Intangible asset	17 (b)	**19,232**	21,615
Property and equipment	17 (a)	**16,150**	13,206
Deferred tax assets	14	**562**	289
Staff receivable	19	**289**	115
		36,233	35,225
Current assets			
Inventories	18	**392**	384
Trade and other receivables	19	**6,200**	7,336
Income tax recoverable		**604**	861
Cash and cash equivalents	20	**4,277**	4,704
		11,473	13,285
Total assets		**47,706**	48,510
EQUITY			
Share capital	21	**360**	360
Retained earnings		**33,195**	31,499
Total equity		**33,555**	31,859
LIABILITIES			
Non-current liabilities			
Bank loan	24	**-**	2,154
Retirement benefit obligations	22	**3,026**	3,601
		3,026	5,755
Current liabilities			
Bank loan	24	**959**	2,444
Trade and other payables	23	**10,166**	8,452
		11,125	10,896
Total liabilities		**14,151**	16,651
Total equity and liabilities		**47,706**	48,510

The financial statements on pages 40 to 80 were authorised for issue by the board of directors on 8th April 2019 and were signed on its behalf by:

Mr. Mark Skinner
Chairman of the Board of Directors

Mr. Raymond P Mbilinyi
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital Tshs M	Retained earnings Tshs M	Total Tshs M
Year ended 31 December 2018				
At start of year		**360**	**31,499**	**31,859**
Comprehensive income:				
Profit for the year		-	7,459	7,459
Other comprehensive income:				
Actuarial loss-net of tax		-	204	204
Total comprehensive income		-	**7,663**	**7,663**
Transactions with owners:				
Dividends paid	16	-	(5,967)	(5,967)
At end of year		**360**	**33,195**	**33,555**
Year ended 31 December 2017				
At start of year		360	27,405	27,765
Comprehensive income:				
Profit for the year		-	11,934	11,934
Other comprehensive income:				
Actuarial gain - net of tax		-	25	25
Total comprehensive income		-	11,959	11,959
Deferred tax on prior year actuarial losses		-		
Transactions with owners:				
Dividends paid	16	-	(7,865)	(7,865)
At end of year		**360**	**31,499**	**31,859**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 Tshs M	2017 Tshs M
Operating activities			
Profit before income tax		**10,765**	17,047
Adjustment for:			
Depreciation of property and equipment	17(a)	**2,469**	2,287
Amortization of intangible assets	17(b)	**2,383**	2,410
Unrealized exchange loss on loan	24	**4**	8
Provision for retirement benefit obligations	22	**642**	777
Loss/(gain) on disposal/write-off of equipment		**45**	(13)
Interest expense	24	**251**	353
Adjustment for:			
Inventories		**(8)**	(120)
Trade and other receivables		**962**	(683)
Trade Trade and other payables**		**(1,669)**	(10,659)
Cash generated from operating activities		**15,844**	11,407
Retirement benefits paid	22	**(926)**	(2,475)
Interest paid	24	**(251)**	(353)
Income tax paid		**(3,407)**	(5,128)
Net cash generated from operating activities		**11,260**	3,451
Investing activities			
Proceeds from sale of property and equipment		**-**	13
Purchase of property and equipment and intangible asset	17	**(5,458)**	(4,673)
Net cash used in financing activities		**(5,458)**	(4,660)
Financing activities			
Proceeds from loan	24	**-**	6,690
Loan repayment	24	**(3,643)**	(2,100)
Dividends paid to the Company's shareholders	16	**(2,586)**	(4,613)
Net cash used in financing activities		**(6,229)**	(23)
Net decrease in cash and cash equivalents		**(427)**	1,232
Movement in cash and cash equivalent			
Decrease in cash and cash equivalents		**(427)**	(1,232)
At 1 January	20	**4,704**	5,936
At 31 December	20	**4,277**	4,704
Significant non-cash transactions which are not included under operating and financing activities is:			
Dividends distributed during the year but not yet paid**	16	**3,381**	3,252
Write-off of intangible assets and property and equipment against accruals	17	**-**	1,276

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 GENERAL INFORMATION

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 principal activities of the Company are disclosed in the Report of the Directors and full details of the Company's general information are disclosed on Page 82.

2 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) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2002. They were authorized for issue by the Company's Board of Directors on 8th April 2019.

The financial statements have been prepared on a historical cost basis, except where fair value measurements have been applied. The financial statements provide comparative information in respect of the previous period and are presented in Tanzanian Shillings and all values are rounded to the nearest million (Tshs M) except when otherwise indicated.

This is the first set of the Company's annual financial statements in which IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have been applied. Changes to significant accounting policies are described in Note 2 (b) below

b) Changes in accounting policies and disclosures

(i) New and amended standards which became effective during the year

The accounting policies adopted are consistent with those of the previous financial year except as described below:

The Company has initially applied IFRS 15 and IFRS 9 from 1 January 2018. A number of other new standards are also effective from 1 January 2018 but they do not have a material effect on the annual financial statements of the Company. The nature and the effect of these changes are disclosed below.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. Previously, the Company's approach was to include the impairment of trade receivables in other expenses. There was no impairment loss for the year ended 31 December 2017 as such no reclassification of impairment losses, recognised under IAS 39, from 'other expenses' to 'provision for bad debts' in the statement of profit or loss and OCI for the year ended 31 December 2017.

b) Changes in accounting policies and disclosures (Continued)

(i) New and amended standards which became effective during the year (Continued)

Classification and measurement of financial assets

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, Fair value through other comprehensive income (FVOCI) and Fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial asset and financial liabilities.

Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost. There's no significant effect on allowance for impairment over trade and other receivables resulting from adoption of IFRS 9.

The following table explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 January 2018.

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets				
Trade and other receivables	Loans and receivables	Amortised cost	5,979	5,979
Other receivables (excluding prepayments and deposits)	Loans and receivables	Amortised cost	667	667
Cash and cash equivalents	Loans and receivables	Amortised cost	4,704	4,704

Impairment of financial assets and contract assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of IFRS 9's impairment requirements at 1 January 2018 did not results in an additional allowance for impairment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Changes in significant accounting policies (Continued)

(i) New and amended standards which became effective during the year (Continued).

IFRS 9 Financial Instruments (Continued)

Classification and measurement of financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. However, under IAS 39 all fair value changes of liabilities designated as at FVTPL are recognized in profit or loss, whereas under IFRS 9 these fair value changes are generally presented as follows:

(a) the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
(b) the remaining amount of change in the fair value is presented in profit or loss.

The Company has not designated any financial liabilities at FVTPL and it has no current intention to do so. The Company's assessment did not indicate any material impact regarding the classification of financial liabilities at 1 January 2018.

The following table explains the original measurement categories under IAS 39 and the new measurement categories under IFRS9 for financial liabilities as at 1 January 2018.

	Original classification under IAS 39	**New classification under IFRS 9**	**Original carrying amount under IAS 39**	**New carrying amount under IFRS 9**
Financial liabilities				
Trade payables	Other financial liabilities	Other financial liabilities	503	503
Other payables (exc. VAT)	Other financial liabilities	Other financial liabilities	4,664	4,664
Due to related parties (Dividend payable to SPI)	Other financial liabilities	Other financial liabilities	3,259	3,259
Loans / Borrowings	Other financial liabilities	Other financial liabilities	4,598	4,598

Transition adjustment

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

(a) The Company did not take advantage of the exemption allowing it not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings and reserves as at 1 January 2018.

(b) The following assessments have to be made on the basis of the facts and circumstances that exist at the date of initial application.
- The determination of the business model within which a financial asset is held.
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Changes in significant accounting policies (Continued)

(i) New and amended standards which became effective during the year (Continued).

IFRS 9 Financial Instruments (Continued)

Financial assets – Policy applicable before 1 January 2018

(i) Classification

All financial assets of the Company are classified as loans and receivables, based on the purpose for which the financial assets were acquired.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Company's loans and receivables comprise 'non-current receivables' 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

(ii) Recognition and measurement

Loans and receivables are subsequently carried at amortized cost using the effective interest method. Financial assets are derecognized when rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(iv) Impairment

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in profit or loss.

(v) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when, the rights to receive cash flows from the asset have

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Changes in significant accounting policies (Continued)

Financial assets – policy applicable before 1 January 2018 (Continued)

(v) Derecognition (Continued)

expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Trade and other receivables

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

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment (Note 19).

Financial liabilities – policy applicable before 1 January 2018

(i) Recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

The financial liabilities are recognized initially at fair value and in the case of loans and borrowings plus directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans/borrowings.

(ii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Trade and other payables

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Changes in significant accounting policies (Continued)

Financial liabilities – policy applicable before 1 January 2018 (Continued)

Trade and other payables (continued)

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Borrowings

The Company has secured a bank loan from FNB. The loan is denominated in US$ and is secured against cession of books debts. Interest expense is recognised using the effective interest method.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The Company has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for 2017 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information. There is no material changes in revenue recognised under IFRS 15 as such the revenue that would have been recognised if the Company had continued with IAS 18 is same as revenue recognised under IFRS 15.

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) where as prices for cargo handling services are individually identified separately.

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 and handover of the shipping documents to the customer to start custom clearance for cargo handling. 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. 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.

The presentation and disclosure requirements in IFRS 15 are more detailed than under current IFRS. Many of the disclosure requirements in IFRS 15 are new and the Company has assessed that the impact of some of these disclosures requirements are minimal given the nature of contracts it currently has. In particular, the notes to the financial statements have not been expanded because of the disclosure of significant judgements made. This is due to the fact that the transaction price of those contracts do not include variable considerations, the Company for the case of ground handling services where the Company provides bundled services, billing is only done and revenue recognized upon the discharge of performance obligations (provision of turnaround services in ground handling and provision of cargo handling services). It is deemed not necessary to estimate

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Changes in significant accounting policies (Continued)

(i) New and amended standards which became effective during the year (Continued).

IFRS 15 Revenue from Contracts with Customers (Continued)

or identify stand-alone prices of each performance obligation because the performance obligation cannot be unbundled for the case of ground handling services due to the nature of the contract.

Also, there is extended disclosures as a result of the significant judgement made when assessing the contracts where the Company has concluded that: it acts as an agent instead of a principal, there is a significant financing component, and service-type warranties are provided. 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. In 2018 the Company continued testing of appropriate systems, internal controls, policies and procedures necessary to collect and disclose the required information.

IFRS 15 did not have a significant impact on the Company given the nature of the contracts it presently has with its customers.

Revenue recognition policy applicable before 1 January 2018

Generally, revenue is recognized in profit or loss to the extent that it is probable that future economic benefit will flow to the Company and that the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivables, taking into account contractually defined terms of payments excluding discounts, rebates and Valued Added Taxation (VAT).

Ground handling

Revenue is recognized when ground handling services are rendered to the airline.

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 it is probable future economic benefits will flow to the Company and that revenue can be reliably measured.

Other operating income items

Other operating income includes, interest on short term investments, rental income and commission. See note 2 (d)

c) Standard issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Standard issued but not yet effective (Continued)

IFRS 16 Leases

The Company is required to adopt IFRS 16 Leases from 1 January 2019. The Company has assessed the estimated impact that initial application of IFRS 16 will have on its financial statements, as described below. The actual impacts of adopting the standard on 1 January 2019 may change because:

- the Company has not finalised the testing and assessment of controls over its new IT systems; and
- the new accounting policies are subject to change until the Company presents its first financial statements that include the date of initial application.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The actual impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions, including the Company's borrowing rate at 1 January 2019, the composition of the Company's lease portfolio at that date, the Company's latest assessment of whether it will exercise any lease renewal options and the extent to which the Company chooses to use practical expedients and recognition exemptions.

Leases in which the Company is a lessee

The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Company will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Company will include the payments due under the lease in its lease liability.

No significant impact is expected for the Company's leases.

Leases in which the Company is a lessor

The Company is not required to make any adjustments for leases in which it is a lessor except where it is an intermediate lessor in a sub-lease.

No significant impact is expected for leases in which the Company is a lessor.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Standard issued but not yet effective (Continued)

Transition

The Company plans to apply IFRS 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognized as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. When applying the modified retrospective approach to leases previously classified as operating leases under IAS 17, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Company is assessing the potential impact of using these practical expedients.

On transition to IFRS 16, the Company can choose whether to:

- apply the IFRS 16 definition of a lease to all its contracts; or
- apply a practical expedient and not reassess whether a contract is, or contains, a lease.

Other standards

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statement.

- IFRIC 23 Uncertainty over Tax Treatments
- Prepayment Features with Negative Compensation (Amendments to IFRS 9)
- Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)
- Plan Amendment, Curtailment or Settlement (Amendments to IAS 19).
- Annual Improvements to IFRS Standards 2015–2017 Cycle – various standards
- Amendments to References to Conceptual Framework in IFRS Standards
- IFRS 17 Insurance Contracts

d) Other operating income

Interest income
Interest earned on short-term investments is recognized in the profit or loss statement on a straight line basis over the investment period and included in 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.

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.

e) Foreign currencies

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'). The financial statements are presented in the Tanzanian shillings, which is the Company's functional and presentation currency rounded to the nearest million.

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'.

f) 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 5 to the financial statements.

g) Current versus non-current classification

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.

h) 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Determination and measurement of fair values (Continued)

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

The principal or the most advantageous market must be accessible to by the Company.

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

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

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 27 to the financial statements.

i) Property and equipment

Property and equipment are initially recorded at cost. These assets are subsequently shown at historical cost, less depreciation and impairment losses, if any. Historical cost includes expenditure directly attributable to the acquisition of the items. Subsequent costs are included in asset's carrying amount or recognized as a separate asset, as appropriate, only 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 reliably measured. 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:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Property and equipment (Continued)

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

Major renovations are included in the assets' carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company 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 is charged to the profit and loss account during the financial period in which it is incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset, (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each balance sheet date and adjusted, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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.

j) 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 11 years.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Impairment of non-financial assets (Continued)

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 the inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Company as a lessee and lessor
An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Operating lease payments are recognized as an expense in the profit and loss account on a straight-line basis over the lease term while operating lease income (rental income) is accounted for on a straight-line basis over the lease terms and included in other operating income.

m) Comparative figures

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

n) 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.

o) Cash and cash equivalents

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

p) 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.

q) Share capital

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.

r) Concession fees

The Company has concession agreements with Tanzania Airports Authority for provision of ground handling services at Julius Nyerere and Songwe International Airports, and Mtwara Airport; 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.

s) Employees' benefits

<u>(i) Defined contribution plan</u>

All of the Company's employees are either members of the National Social Security Fund ("NSSF"), Parastatal Pension Fund (PPF), Local Authority Pension Fund (LAPF) or Government Employees Provident fund (GEPF), which are defined contribution plans. Law prescribes these plans. Each employee must be a member of at least one of the

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Employees' benefits (Continued)

(i) Defined contribution plan (Continued)

aforementioned pension funds. The Company and employees both contribute 10% of the employees' gross salaries to NSSF, LPF or GEPF. For PPF, 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' basic salary towards PPF. The contribution is charged to the profit or loss account when incurred.

(ii) Defined benefit plan

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

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

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 22), less past service costs.

t) 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t) Taxes (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences at balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with the investments in associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax (Continued)

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused income tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and tax losses can be utilized except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with the investments in associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of the deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or liability settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised in the statement of changes in equity is recognized in equity and not in the profit or loss account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same tax authority on the same taxable entity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t) Taxes (Continued)

Value added tax

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

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

Tax exposure

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.

u) Dividends distribution

It is the Company's policy to pay 80% of its profit for the year as dividends to its 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 shareholders. 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%.

However, for the Company to build up cash to be able to meet its investment and maturing obligations, the directors have approved the payment of dividends equals to 50% of profit.

v) Borrowing

The Company has secured a bank loan from FNB. The loan is denominated in US$ and is secured against cession of books debts. Interest expense is recognised using the effective interest method.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Post-employment benefit obligations

Significant assumptions are made by the directors in determining the present value of the retirement benefit obligation as at the balance sheet date. The key assumptions are set out in Note 22 to the financial statements.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Post-employment benefit obligations (Continued)

Taxes

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

Asset useful lives

The useful lives of items of property, plant and equipment 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.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Foreign currency risk

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

The Company manages its foreign exchange risk by forecasting the amount of foreign currencies they require and hold an equivalent amount in foreign currencies (US dollar and EURO). As at 31 December 2018, the balances denominated in foreign currencies were as Shown on the table below:

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Balances denominated in foreign currencies	**2018 Tshs M**	2017 Tshs M
Cash and bank balances	**3,076**	3,851
Trade and other receivables	**4,401**	5,187
Loan / borrowings	**(959)**	(4,598)
Trade and other payables	**(766)**	(223)
Net exposure	**5,752**	4,217

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar 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.

	Change in US$ rate	**Effect on profit before tax Tshs M**	**Effect on equity Tshs M**
2018	+10%	575	403
	-10%	(575)	(403)
2017	+10%	422	295
	- 10%	(422)	(295)

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 20) on the basis of expected cash flows.

Forecasted liquidity reserves as extracted from short and medium-term future budget of company as at 31 December 2019 is as follows:

	2019 Tshs M
At 1 January	**4,277**
Operating activities	**11,867**
Investing activities	**(6,233)**
Financing activities	**(4,689)**
At 31 December	**5,222**

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.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

	Less than 1 year Tshs M	Between 1 and 2 years Tshs M	Between 2 and 5 years Tshs M	Over 5 years Tshs M
At 31 December 2018				
Trade and other payables (*)	10,166	-	-	-
Borrowings	959	-	-	-
At 31 December 2017				
Trade and other payables (*)	8,452	-	-	-
Borrowings	2,444	2,154	-	-

(*) Financial liabilities included are concession fees payable of Tshs 800 million (2017: Tshs 566 million), sundry payable of Tshs 3,000 million (2017: Tshs 1,839 million) and due to related party of Tshs 3,381 million (2017: 3,259 million) as depicted in Note 23.

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 2018 and 31 December 2017. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. As of 31 December 2018 the company had a gearing ratio of 3% (2017: 13%).

5 SEGMENT INFORMATION

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.

No operating segments have been aggregated to form the reportable operating segments on page 64. 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

5 SEGMENT INFORMATION (CONTINUED)

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.

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

2018

Income and expenses	**Ground handling Tshs M**	**Cargo handling Tshs M**	**Total Tshs M**
Revenue	29,524	18,690	**48,214**
Other operating income	241	182	**423**
Staff costs	(12,927)	(4,407)	**(17,334)**
Concession fees	(2,694)	(1,845)	**(4,539)**
Fuel and maintenance costs	(1,631)	(654)	**(2,285)**
Depreciation and amortisation	(1,599)	(3,253)	**(4,852)**
Rent and other occupancy costs	(417)	(1,046)	**(1,463)**
Provision for bad debt	(2,112)	-	**(2,112)**
Other operating expenses	(2,500)	(2,787)	**(5,287)**
Profit before income tax	**5,885**	**4,880**	**10,765**

2018

Assets and liabilities	**Ground handling Tshs M**	**Cargo handling Tshs M**	**Unallocated Tshs M**	**Total Tshs M**
Total assets	25,123	22,097	486	**47,706**
Total liabilities	6,595	6,980	576	**14,151**
Capital expenditure	4,857	345	256	**5,458**

2017

Income and expenses	**Ground handling Tshs M**	**Cargo handling Tshs M**	**Total Tshs M**
Revenue	32,657	18,436	**51,093**
Other operating income	211	294	**505**
Staff costs	(11,734)	(5,022)	**(16,756)**
Concession fees	(2,994)	(1,796)	**(4,790)**
Fuel and maintenance costs	(1,525)	(439)	**(1,964)**
Depreciation	(1,477)	(3,220)	**(4,697)**
Rent and other occupancy costs	(379)	(1,224)	**(1,603)**
Other operating expenses	(3,811)	(930)	**(4,741)**
Profit before income tax	10,948	6,099	**17,047**

5 SEGMENT INFORMATION (CONTINUED)

2017

Assets and liabilities	**Ground handling Tshs M**	**Cargo handling Tshs M**	**Unallocated Tshs M**	**Total Tshs M**
Total assets	22,443	25,280	787	**48,510**
Total liabilities	5,437	10,765	449	**16,651**
Capital expenditure	4,122	475	76	**4,673**

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 vehicles.

GEOGRAPHICAL SEGMENT - 2018

	DAR Tshs M	**KIA Tshs M**	**Songwe Tshs M**	**Mtwara Tshs M**
Revenue	37,851	9,556	740	67
Total operating costs (*)	30,654	6,343	388	64
Total Assets	41,840	5,662	158	46

GEOGRAPHICAL SEGMENT - 2017

	DAR Tshs M	**KIA Tshs M**	**Songwe Tshs M**	**Mtwara Tshs M**
Revenue	38,393	11,350	1,274	76
Total operating costs (*)	27,351	6,011	612	72
Total Assets	42,182	6,177	104	47

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

6 REVENUE

The effect of initially applying IFRS 15 on the Company's revenue from contracts with customers is described in Note 2 b). Due to the transition method chosen in applying IFRS 15, comparative information has not been restated to reflect the new requirements.

A. Revenue streams

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

Revenue from contract with customers	**2018 Tshs M**	2017 Tshs M
Ground handling	**29,524**	32,657
Cargo handling	**18,690**	18,436
Total revenue	**48,214**	51,093

6 REVENUE (CONTINUED)

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 note 5 of the report of the directors

	Major Service Line			
	Ground Handling		Cargo handling	
	2018	**2017**	**2018**	**2017**
	Tshs M	Tshs M	**Tshs M**	Tshs M
Primary geographical markets				
Kilimanjaro International Airport	**7,830**	8,746	**1,726**	1,848
Dar es salaam International Airport	**20,887**	22,893	**16,964**	16,588
Mtwara airport	**67**	60	**-**	-
Songwe airport	**740**	958	**-**	-
Total revenue	**29,524**	**32,657**	**18,690**	**18,436**

C. Contract balances

As noted on note 2 (b), 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) where as 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 contracts assets.

D. 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.

7 OTHER OPERATING INCOME

	2018	2017
	Tshs M	Tshs M
Rental income	**250**	215
Commission on freight charges	**99**	141
Gain on disposal of property and equipment	**-**	13
Foreign exchange gain	**74**	136
	423	505

8 STAFF COSTS

	2018 Tshs M	2017 Tshs M
Salaries and wages	**11,280**	10,921
Pension cost – defined contribution plans	**1,305**	1,311
Pension cost – defined benefit plan	**642**	777
Other staff costs	**4,107**	3,747
	17,334	16,756

9 CONCESSION FEES

Concession fees – Tanzania Airports Authority	**3,869**	4,047
Concession fees – Kilimanjaro Airport Development Company	**670**	743
	4,539	4,790

Concession fees are paid to Tanzania Airports Authority (TAA) and Kilimanjaro Airport Development Company (KADCO). 7% of the ground and cargo handling revenue was paid to KADCO (2017 – 7%) as concession fees and 10% of the ground and cargo handling revenue is paid to TAA (2017 – 10%) as concession fees. A further concession of 5% (2017 – 5%) of revenue generated from Mtwara and Songwe Airports is also payable to Tanzania Airports Authority (TAA).

10 FUEL AND MAINTENANCE COSTS

	2018 Tshs M	2017 Tshs M
Fuel – Ground support equipment	**734**	608
Fuel – Motor vehicles	**156**	142
Maintenance – Ground support equipment	**993**	852
Maintenance – Motor vehicles	**402**	362
	2,285	1,964

11 RENT AND OTHER OCCUPANCY COSTS

Rent – TAA	**710**	690
Rent – KADCO	**314**	317
Utility charges	**439**	596
	1,463	1,603

12 OTHER OPERATING EXPENSES

Telecommunication and internet charges	**151**	266
IT and other information processing services	**1,193**	840
Purchase of ground services	**985**	868
Insurance	**536**	557
Travel and transportation	**304**	249
Legal and consultancy fees	**214**	92
Advertising and publicity	**123**	191
Auditors' remuneration	**113**	84
Directors' emoluments	**96**	106
Bank charges	**102**	42
Other administration expenses	**1,219**	1,093
	5,036	4,388

13 INCOME TAX EXPENSE

The major components of income tax expense are as follows:

	2018 Tshs M	2017 Tshs M
Current tax charge – current year	**3,666**	4,797
– prior year	**-**	22
Deferred tax (credit) charge (Note 14) – current year	**(370)**	352
– prior years	**10**	(58)
	3,306	5,113

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:

	2018 Tshs M	2017 Tshs M
Profit before income tax	**10,765**	17,047
Tax calculated at a tax rate of 30%	**3,230**	5,114
Expenses not deductible for tax purpose	**69**	63
Profit not subjected to income tax	**(3)**	(28)
Prior periods – current income tax	**-**	22
Prior periods – deferred tax (Credit)	**10**	(58)
Income tax expense	**3,306**	5,113

The Tanzania Revenue Authority (TRA) has issued final income tax assessments up to 2012. The assessments for the period from 2013 to 2016 are currently in progress.

14 DEFERRED TAX

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

	2018 Tshs M	2017 Tshs M
Accelerated capital allowance	**1,271**	1,300
Retirement benefit obligation charged to reserve	**(388)**	(475)
Provisions	**(1,445)**	(1,114)
Net deferred income tax assets	**(562)**	(289)

The gross movement on the deferred income tax accounts is as follows:

	2018 Tshs M	2017 Tshs M
At 1 January	**(289)**	(594)
Debit to the profit or loss statement (Note 13)	**(360)**	294
Debit to the other comprehensive income (OCI)	**87**	11
At 31 December	**(562)**	(289)

15 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:

15 EARNINGS PER SHARE (CONTINUED)

	2018	2017
Attributable profit to ordinary shareholders – Tshs	**7,459,000,000**	11,934,000,000
	Number	Number
Weighted average number of ordinary shares	**36,000,000**	36,000,000
Basic earnings per share - Tshs	**207.2**	331.5

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.

	2018	2017
Attributable profit to ordinary shareholders – Tshs	**7,459,000,000**	11,934,000,000
	Number	Number
Weighted average number of ordinary shares	**36,000,000**	36,000,000
Diluted earnings per share – Tshs	**207.2**	331.5

16 DIVIDENDS

	2018 Tshs M	2017 Tshs M
Final dividends for 2017 of Tshs 165.75 per share (2016: Tshs 218.47 per share)	**5,967(*)**	7,865

(*) The actual cash during the year was Tshs 2,586 million for local shareholders. Tshs 3,381 million relating to dividend payable to Swissport International Ltd is yet to be paid.

The directors propose payment of a final dividend of Tshs 103.61 per share, amounting to Tshs 3,730 million out of 2018 profit (2017 – proposed dividend of Tshs 165.75 per share, amounting to Tshs 5,967 million). The proposed final dividend has not been recognised as a distribution during the year; Final dividends are not accounted until they have been ratified by the Annual General Meeting. Dividends are subjected to a withholding tax of 5%.

17 (a) PROPERTY AND EQUIPMENT

	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 2018	2,513	1,471	1,471	5,356	2,968	28,338
Additions	162	232	4,720	12	332	5,458
Write off/adjustment	-	-	(349)	(92)	(227)	(668)
At 31 December 2018	2,675	1,703	20,401	5,276	3,073	33,128
Depreciation						
At 1 January 2018	1,536	1,363	6,491	3,460	2,282	15,132
Charge for the year	271	50	1,190	578	380	2,469
Write off/adjustment	-	-	(304)	(92)	(227)	(623)
At 31 December 2018	1,807	1,413	7,377	3,946	2,435	16,978
Net book value						
At 31 December 2018	**868**	**290**	**13,024**	**1,330**	**638**	**16,150**

There is no impairment loss relating to property and equipment recognised in the financial statements. Additionally, the Company has no loan, therefore assets are not pledged as security.

	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 2017	2,513	1,371	12,348	4,910	3,176	24,318
Additions	-	100	3,926	571	76	4,673
Write off/adjustment	-	-	(244)	(125)	(284)	(653)
At 31 December 2017	2,513	1,471	16,030	5,356	2,968	28,338
Depreciation						
At 1 January 2017	1,248	1,346	5,743	3,007	2,136	13,480
Charge for the year	288	17	974	578	430	2,287
Write off/adjustment	-	-	(226)	(125)	(284)	(635)
At 31 December 2017	1,536	1,363	6,491	3,460	2,282	15,132
Net book value						
At 31 December 2017	**977**	**108**	**9,539**	**1,896**	**686**	**13,206**

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


swissport
TLD

17 (b) INTANGIBLE ASSET

	2018 Tshs M	2017 Tshs M
Intangible asset (IFRIC 12) under construction		
Cost		
At January	**25,264**	26,521
Additions	**-**	-
Write off	**-**	(1,257)
At December	**25,264**	25,264
Accumulated amortisation:		
At January	**3,649**	1,240
Write off	**-**	(1)
Charge for the year	**2,383**	2,410
At December	**6,032**	3,649
Net book value as at the end of the year	**19,232**	21,615

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$ 75,000 (US$ 5/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 10 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.

18 INVENTORIES

	2018 Tshs M	2017 Tshs M
Spare parts	**220**	201
Stationery	**109**	57
Cleaning materials	**26**	16
Fuel	**59**	40
Uniforms	**57**	179
Less: Provision for impairment on inventories	**(79)**	(109)
	392	384

The amount of write-down of inventories recognized as a release is Tshs 30 million (2017: release of Tshs 24 million). The cost of inventories recognized as an expense and included in the fuel and maintenance costs amounted to Tshs 2,285 million (2017: Tshs 1,964 million). Inventories are not pledged as security.

Movement on the provision for impairment of inventories is as follows:

	2018 Tshs M	2017 Tshs M
At 1 January	**109**	133
Release	**(30)**	(24)
At 31 December	**79**	109

19 TRADE AND OTHER RECEIVABLES

Trade receivables	**7,582**	6,362
Less: Provision for impairment of receivables	**(2,495)**	(383)
Trade receivables – net	**5,087**	5,979
Deposits and prepayments	**528**	690
Staff receivables	**514**	488
Building materials revolving fund	**56**	76
Staff car loans(*)	**15**	103
	6,200	7,336

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

(*) The staff car loans exclude Tshs 289 million (2017: Tshs 115 million) receivable after 1 year.

As at 31 December, the ageing analysis of trade receivables that are past due is as follows:

	2018 Tshs M	2017 Tshs M
by 31 to 60 days	**1,243**	1443
by 61 to 90 days	**273**	143
by 91 to122 days	**725**	113
At 31 December	**2,241**	1,699

19 TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 31 December 2018, trade receivables of Tshs 2,241 million (2017: Tshs 1,699 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

As at 31 December 2018, trade receivables of Tshs 2,495 million (2017: Tshs 383 million) were impaired and provided for. The individually impaired receivables mainly relate to customers, who are in unexpectedly difficult economic situations.

Movement on the provision for impairment of receivables is as follows:

	2018 Tshs M	2017 Tshs M
At 1 January	**383**	383
Charge for the year	**2,112**	-
At 31 December	**2,495**	383

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

	2018 Tshs M	2017 Tshs M
US dollars	**3,866**	4,685
Tanzanian shillings	**3,181**	1,176
Euro	**535**	501
	7,582	6,362

20 CASH AND CASH EQUIVALENTS

	2018 Tshs M	2017 Tshs M
For the purpose of the cash flow statement, the year-end cash and cash equivalents comprise:		
Cash at bank	**4,263**	4,690
Cash on hand	**14**	14
	4,277	4,704

21 SHARE CAPITAL

Authorised:		
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

21 SHARE CAPITAL (CONTINUED)

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 meetings of the Company.

22 RETIREMENT BENEFIT OBLIGATIONS

	2018 Tshs M	2017 Tshs M
As at 1 January	**3,601**	3,711
Current service cost	**130**	143
Interest cost (discount unwinding)	**512**	634
Actuarial gain	**(291)**	(36)
Benefits paid during the year	**(926)**	**(851)
As at 31 December	**3,026**	3,601

** - For 2017, actual amount paid was Tshs 2,475 milion of which Tshs 1,624 million relates to benefit released in 2016 but actual payout happened in 2017.

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 dies while in employment, based on length of service and salary at retirement and qualifies as a defined benefit plan. A firm of professional actuaries, Zamara Actuaries, Administrators & Consultants Limited of Nairobi, Kenya formally known as Alexander Forbes Financial Services, carried out the actuarial valuation of the Arrangement as at 31 December 2018 using the Projected Unit Credit Method.

As at 31 December 2018 the present value of the accrued (past service) liability in respect of retirement gratuity benefits was Tshs 3,026 million (2017: Tshs 3,601 million). The principal assumptions used in the actuarial valuation are:

(i) Discount rate of 17.7% (2017 – 15.9%)
(ii) Rate of salary escalation of 5% (2017 – 7%)
(iii) Retirement age 60 years (2017 – 60 years)
(iv) Mortality pre-retirement A1949-1953 (2017 – A1949-1953)

The 'notional' Company contribution rate to meet the cost of future accrual of gratuity benefits is estimated at 5% of salaries per annum (2017: 7%). The next valuation is due on 31 December 2019. The 3-year trend of this non-contributory employee gratuity arrangement is as follows:

	2018 Tshs M	2017 Tshs M	2016 Tshs M
Present value of the defined benefit obligation	**3,026**	3,601	3,711

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

	2018 Tshs M	2017 Tshs M
Current service cost	**130**	143
Interest cost (discount unwinding)	**512**	634
Total, included in staff costs (Note 8)	**642**	777

22 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Characteristics and risks of the arrangement:

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

The results of the actuarial will be more sensitive to changes in the financial assumptions than changes in the demographic assumptions.

Effect of the reduction of discount rate by -1%	**2018 Tshs M**	2017 Tshs M
Present value of the obligation	**3,026**	3,601
Present value after 1% reduction	**3,156**	3,739

Effect on Company's cash flow

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.

Maturity analysis of the liability

The weighted average duration of the liability as at 31 December 2018 is 3.1 (2017 – 3.9).

Retirement Contribution Plan

	2018 Tshs M	2017 Tshs M
Contributions to NSSF	**820**	792
Contributions to PPF	**485**	519
Total	**1,305**	1,311

23 TRADE AND OTHER PAYABLES

	2018 Tshs M	2017 Tshs M
Airport Authorities – Concession fees	**800**	566
Trade payable	**1,488**	503
Payable to a related party (Note 25)	**3,381**	3,259
Bonus payable	**470**	658
Unclaimed dividend	**2,222**	1,916
Other payables	**1,805**	1,550
	10,166	8,452

23 TRADE AND OTHER PAYABLES (CONTINUED)

- 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 25.

24 LOAN AND BORROWING

	2018	2017
	Tshs M	Tshs M
Loan movement		
As at 1 January	**4,598**	-
Proceeds from loan	**-**	6,690
Repayment of loan	**(3,643)**	(2,100)
Finance cost*	**251**	353
Interest paid	**(251)**	(353)
Unrealised exchange loss*	**4**	8
	959	4,598
Loan classification		
Current portion	**959**	2,444
Non-current portion	**-**	2,154
	959	4,598

* Finance cost is recognised as a separate item in the statement of profit or loss and other comprehensive income.

Swissport Tanzania Plc has received a loan from FNB Bank with annual interest rate of 3-month LIBOR plus 5.6%. The year-end balance of the loan is Tshs 959 million (2017: Tshs 4,598 million). The loan is denominated in US$ and is secured against cession of books debts. Interest expense is recognised using the effective interest method.

25 RELATED PARTY DISCLOSURES

Transactions with the related companies

The Company's parent company is Swissport International Ltd. ("SPI") a majority shareholder of the Company. The ultimate holding Company is HNA Group incorporated in China. 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 Company also did not enter into any transaction with HNA Group.

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

25 RELATED PARTY DISCLOSURES (CONTINUED)

	2018 Tshs M	2017 Tshs M
(a) Cargospot charges	**80**	72
(b) MPC and IT systems charges	**427**	191

The details of the performance guarantee issued in favour of the Company through Swissport International Ltd. are disclosed in Note 26 to the financial statements.

	2018 Tshs M	2017 Tshs M
Payable to a related party		
Swissport International Ltd.		
Other payable	**95**	7
Dividend payable to SPI	**3,381**	3,252

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

	2018 Tshs M	2017 Tshs M
Current Directors		
Mr Mark Skinner	**23**	22
Mrs Sujata Jaffer	**26**	29
Mr Raymond P Mbilinyi	**26**	29
Mr Jeroen de Clercq *	**18**	18
Mr Rene Sutter *	**18**	18
	111	116

** These are paid directly to Swissport International Ltd.*

Transactions with key management personnel

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

Compensation to key management personnel:

	2018 Tshs M	2017 Tshs M
Salaries and short-term benefits	1,823	1,862
Post-employment retirement benefits	1,364	1,328

26 COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Company has entered into commercial leases on warehouse and office space, motor vehicles and items of machinery. These leases have an average life of five years (2014 – five years) with renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these leases.

26 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	2018 Tshs M	2017 Tshs M
Within one year	**736**	301
After one year but not more than five years	**792**	836
More than five years	**167**	669

Capital commitments

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

	2018 Tshs M	2017 Tshs M
Approved and contracted for	**208**	758
Approved but not contracted	**-**	4,154

Legal claims contingency

As at 31 December 2018, 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 and unlawful termination of employment. The Company has filed counter-claims against the plaintiffs. The total principal amount claimed in the various lawsuits approximates Tshs 250 million (2017: Tshs 296 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 February 2016 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$ 20,000 to secure the due and punctual performance of, and full compliance with, its obligation under the concession agreement.

The performance guarantee of US$ 20,000 was issued on 24 February 2016 by Banco de Sabadell S.A (London Branch) through Swissport International Ltd. The guarantee will expire on 31 December 2020. 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.

27 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	
	2018	2017	**2018**	2017
	Tshs M	Tshs M	**Tshs M**	Tshs M
Applicable assets				
Trade and other receivables (*)	**6,200**	7,336	**6,200**	7,336
Cash and cash equivalents	**4,277**	4,704	**4,277**	4,704
Applicable liabilities				
Trade and other payables (**)	**10,166**	8,452	**10,166**	8,452
Borrowing	**959**	4,598	**959**	4,598

(*) Financial assets included are trade receivables, staff receivables, building material, revolving fund and staff car loans as depicted in note 19.

(**) Financial liabilities included are concession fees payable, sundry payable and due to related party as depicted in note 23.

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.

28 ULTIMATE HOLDING COMPANY AND SUBSEQUENT EVENTS

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 then ultimate controlling entity is HNA Group Co Ltd (HNA Group) a leading aviation and tourism company in China.

There are no other subsequent events requiring disclosure or adjustment in the financial statements for the year ended 31 December 2018.

29 SUBSEQUENT EVENTS

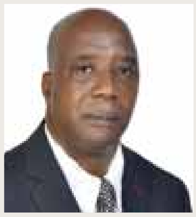
At the date of signing the financial statements, the directors are not aware of any other matter or circumstance arising since the end of the reporting period, not otherwise dealt in these financial statements, which significantly affected the financial position of the company and results of its operations.

MANAGEMENT TEAM

AS OF 31 DECEMBER 2018

Chief Executive Officer
Mrisho B. Yassin

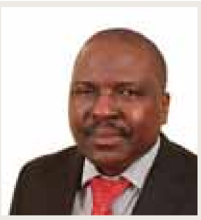
Chief Operating Officer
Brendan Cummings
(recruited in August 2018)



Ag. Chief Financial Officer
Humphrey Samanya

Ground Handling Manager
Stella Kitali

Cargo Business Lead
Wandwi Mugesi



Corporate Services Manager
James Mhagama

Commercial Manager
Amina Bilali

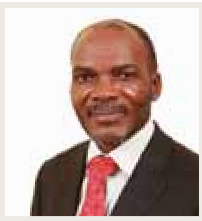
Kilimanjaro Station Manager
Shamba Mlanga

Quality & Compliance Manager
Daniel Simkanga

Training Manager
Daniel Jonas

Human Resources Manager
Jumbe Onjero

Security Business Lead
Godfrey Rweyemamu



Head of Information, Communication and Technology
Konyagi Jandwa

GENERAL INFORMATION

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

SWISSPORT TANZANIA PLC
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 AUDITORS
KPMG
The Luminary
Plot No.574, Haile Selassie Road
Msasani Peninsula Area
PO Box 1160
Dar es Salaam

INTERNAL AUDITORS
PricewaterhouseCoopers
Pemba House
369 Toure Drive, Oyster Bay
PO Box 45
Dar es Salaam

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

LAWYERS
KW Kapinga & Partners
Kamanga Wilbert Kapinga
Plot 1, Jitegemee Road
Msasani
PO Box 75886
Dar es Salaam

LAWYERS (CONTINUED)
Mzava & Company Advocates
Plot 658, Block “F” Drive-in Msasani
P. O. Box 2203,
Dar Es Salaam

G.P. Sandi
KNCU Building, Arusha Road
PO Box 1406
Dar es Salaam

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

CRDB Bank Plc.
PO Box 96
Hai – Moshi

First National Bank Tanzania Limited
PO Box 72290
FNB House
Ohio Street
Dar es Salaam

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

Alliance Life Assurance Ltd
5th Floor, Exim Tower
Ghana Avenue
PO 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