



THE UNITED REPUBLIC OF TANZANIA  
NATIONAL AUDIT OFFICE



TANZANIA AIRPORT AUTHORITY (TAA)

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON  
THE FINANCIAL STATEMENTS AND COMPLIANCE AUDIT FOR  
THE FINANCIAL YEAR ENDED 30 JUNE 2022

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March 2023

AR/CG/TAA/2021/22

## About the National Audit Office

### Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap 418.

### Vision

A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.

### Mission

To provide high-quality audit services through modernization of functions that enhances accountability and transparency in the management of public resources.

**Motto:** "Modernizing External Audit for Stronger Public Confidence"

### Core values

In providing quality services, NAO is guided by the following Core Values:

- i. Independence and objectivity
- ii. Professional competence
- iii. Integrity
- iv. Creativity and Innovation
- v. Results-Oriented
- vi. Teamwork Spirit

### We do this by:

- ✓ Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- ✓ Helping to improve the quality of public services by supporting innovation on the use of public resources;
- ✓ Providing technical advice to our clients on operational gaps in their operating systems;
- ✓ Systematically involve our clients in the audit process and audit cycles; and
- ✓ Providing audit staff with adequate working tools and facilities that promote independence.

© This audit report is intended to be used by Tanzania Airports Authority and may form part of the annual general report, which once tabled to National Assembly, becomes a public document; hence, its distribution may not be limited.

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## Abbreviations

ISSAIs	International Standard of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
PAR	Public Audit Regulation
PAC	Public Accounts Committee
LAAC	Local Authorities Accounts Committee
PFA	Public Finance Regulations
PPA	Public Procurement Act
PPR	Public Procurement Regulations

## **1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL**

Director General,  
Tanzania Airports Authority,  
P.O. Box 18000,  
DAR ES SALAAM.

### **1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

#### **Unqualified Opinion**

I have audited the financial statements of Tanzania Airports Authority which comprise the statement of financial position as at 30 June 2022, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Tanzania Airports Authority as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348.

#### **Basis for Opinion**

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Tanzania Airports Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

## **Other Information**

Management is responsible for the other information. The other information comprises the Permanent Secretary's Report, Commentary on the Financial Statements and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. As described below, I have concluded that such a material misstatement of the other information exists.

### **Responsibilities of Management and those charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines 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, management is responsible for assessing the entity'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 management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

### **Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements**

My 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 audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs 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 ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I 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. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap 418 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, Cap 410 [R.E 2022] requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

## **1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS**

### **1.2.1 Compliance with the Public Procurement laws**

**Subject matter: Compliance audit on procurement of works, goods, and services**

I performed a compliance audit on the procurement of works, goods, and services in the Tanzania Airports Authority for the financial year 2021/22 as per the Public Procurement laws.

#### **Conclusion**

Based on the audit work performed, I state that, except for the matters described below, the procurement of goods, works, and services of Tanzania Airports Authority is generally in compliance with the requirements of the Public Procurement laws.

**Contract entered without competitiveness including evaluation TZS 18,712,500**

Public procurement Act, Cap 410 Sect 310 (4) state that capability shall be judged on the basis of professional competence, experiences, and knowledge of local condition.

My review noted that the consultancy was selected but no evaluation was done for competitive selections rather just reliance on the submitted curriculum vitae, which impacts transparency and value for money for the services received.




## 1.2.2 Compliance with the Budget Act and other Budget Guidelines

**Subject matter: Budget formulation and execution**

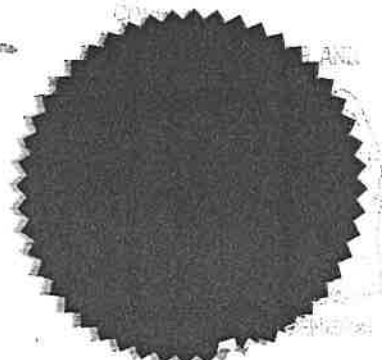
I performed a compliance audit on budget formulation and execution in the Tanzania Airports Authority for the financial year 2021/22 as per the Budget Act and other Budget Guidelines.

### **Conclusion**

Based on the audit work performed, I state that Budget formulation and execution of Tanzania Airports Authority is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

  
Charles E. Kichere  
Controller and Auditor General,  
Dodoma, United Republic of Tanzania

March 2023



## **1.0 PERMANENT SECRETARY'S REPORT**

### **1.1 Introduction**

The Permanent Secretary, Ministry of Works and Transport (Transport Sector) is delighted to submit the Financial Statements report for the year ended 30th June 2022, which discloses the state of affairs as well as the financial performance of the Tanzania Airports Authority.

### **1.2 Establishment**

The Tanzania Airports Authority (TAA) was established on 29th November 1999 vide Government Notice Number 404 of 1999 under the Executive Agency Act No. 30 of 1997. The Authority was established to assume the functions of the former Directorate of Aerodromes under the Ministry of Communications and Transport, now renamed the Ministry of Works and Transport.

TAA was established following Government efforts to change the public service structure with the intent to improve service delivery to stakeholders. TAA has ever since adopted a commercial management style with a view to become financially self-sufficient in the provision of airport services.

Since its establishment, the Authority has enjoyed a semi-autonomous status to operate commercially by formulating its own strategies in line with National Development Plans and Strategies.

The Permanent Secretary, Ministry of Works and Transport- (Transport Sector) on behalf of Ministerial Advisory Board (MAB) is pleased to submit the Financial Statements Report for the year ended 30th June, 2022, prepared in accordance with The Public Finance Act 2001 (Revised Edition, 2004), The Executive Agencies Act 1997 Chapter 245, International Public Sector Accounting Standards (IPSAS), Accounting Circulars No. 1 of 2021/2022 On Preparation of Financial Reports and Closure of the Financial Year 2021/2022 and Tanzania Financial Reporting Standard No. 1 on Directors' Report issued by the National Board of Accountants and Auditors Tanzania (NBAA).

### **1.3 Vision Statement**

To become a world class Airport Operator in the provision of airport facilities and services.

### **1.4 Mission Statement**

To provide high quality airport facilities and services in the most cost-effective manner.

## **1.5 Core Values**

To enable the fulfilment of the Vision and Mission of the Authority, the following Core Values have been adopted and form the basis of the operations.

### **1.5.1 Customer Focus**

Customers are the focus of the business and TAA has aligned its Strategic Objectives in anticipation of their expectations TAA shall strive to meet these expectations with courtesy, willingness, efficiency and professionalism.

### **1.5.2 Employees Development**

TAA employees are the number one asset. TAA is committed to their growth, and development and shall endeavour to support them with the necessary skills, training and confidence that they need to reach their highest potential.

### **1.5.3 Transformational Leadership**

TAA leaders endeavour to develop a genuine trust between themselves, staff and stakeholders; and will maintain this with continuous commitment with confidence and courage towards achieving the Authority's Vision.

### **1.5.4 Safety and Security**

The foundation of all TAA operations is based on safety and maintaining zero tolerance for security breaches. TAA shall endeavor to provide a conducive environment for our employees and customers who ensure safety against harm and loss.

### **1.5.5 Integrity**

TAA is committed to its undertakings by ensuring that employees conduct themselves in the highest ethical manner in all relationships by being trustworthy and honest.

### **1.5.6 Teamwork**

TAA endeavors in the highest degree to cooperate work and communicate with our employees and partners or stakeholders for achieving a common goal.

## **1.6 Principal Activities**

The principal activities of the TAA are to operate, manage, maintain and develop 58 Government-owned airports in Tanzania mainland in a professional and cost-effective manner.

### 1.6.1 Roles

The roles given to TAA according to its establishment order: -

- (i) To operate, manage, maintain and develop airports in Tanzania mainland in a professional and cost-effective manner
- (ii) To provide comfortable, efficient and secure services and facilities for the movement of passengers and cargo in its airports thereby giving a positive image of the country to the outside world.
- (iii) To give technical advice to the Government on the development of airports.
- (iv) To ensure that the Government's airport policies, regulations, procedures and international standards are implemented accordingly.
- (v) To advise the Government on national and international aspects of airport management.
- (vi) To support national economic development by providing the necessary airport infrastructure, facilities, and services.

### 1.7 Corporate Governance

The Permanent Secretary as an Accounting Officer for the Ministry has overall responsibility for ensuring a high standard of financial management in the conduct of TAA. The Agency's Accounting Officer who is the Chief Executive ensures the property and regularity of revenues collection and expenditure and for prudent administration.

The Agency has a Ministerial Advisory Board (MAB) established to give advice to the Minister on the development and maintenance of strategic framework, objectives of the Agency, Agency's annual reports and accounts, the setting of priority and annual performance target for the Agency, evaluation of Agency performance, salaries, wages and allowances. The Ministerial Advisory Board (MAB) consists of five (5) members and the Secretary (Director General).

#### 1.7.1 Composition of the Ministerial Advisory Board

S N	Name	Position	Qualifications	Nationality	Appointed	End of Tenure
1	Dr. Masatu Masinde Chiguma	Chairman	BSc. Civil Eng (UDSM) MSc. Civil Eng Phd. Transportation Planning	Tanzanian	20-Jan-20	01-Feb-23
2	Mr. Alex John Haraba	Member	Adv Dip Material Mgt, CPSP-2008, MBA	Tanzanian	20-Jan-20	01-Feb-23

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S N	Name	Position	Qualifications	Nationality	Appointed	End of Tenure
3	Dr. Paschal Arsein Mugabe	Member	Bachelor of Social Science (PSPA), MBA, Masters of Env. Science, Phd Env. Science	Tanzanian	20-Jan 20	01-Feb-23
4	Eng. Daniel B. Kiunsi	Member	Bsc. Electrical Eng.	Tanzanian	27-Jan-20	01-Feb-23
5	Eng. Ven Kayamba Ndyamukama	Member	Bachelor of Engineering (Civil), M.Sc (Highways)	Tanzanian	27-Jan-20	01-Feb-23

TAA is devoted to the principles of effective corporate governance. The Board has two committees namely Project and Technical Committee (PTC) and the Business and Finance Committee (BFC). The Committees are accountable to the Board. The Board Committees have specific purposes, roles, duties and responsibilities for the effective oversight of the Agency's functions.

#### 1.7.2 Project and Technical Committee (PTC)

The Project and Technical Committee (PTC) is accountable to the Ministerial Advisory Board (MAB). The objective of the PTC is to assist the Board in oversight of the TAA's Projects and Technical aspects of operational activities.

The Committee is composed of two members as tabled below;

SN	Name	Position	Qualifications	Nationality
1	Eng. Daniel B. Kiunsi	Chairperson	BSc. Electrical Eng.	Tanzanian
2	Eng. Ven Kayamba Ndyamukama	Member	Bachelor of Engineering (Civil), M.Sc (Highways)	Tanzanian

#### 1.7.1 Finance and Business Committee (FBC)

The Finance and Business Committee is accountable to the Ministerial Advisory Board (MAB). The objective of the FBC is to give oversight on the TAA's Finance and Business issues not limited to review of the organization's financial status, budget, business and strategic plan, investment and financial decisions. The Committee is composed of two members as tabled below

SN	Name	Position	Qualifications	Nationality
1	Mr. Alex John Haraba	Chairperson	Adv. Dip. Material Mgt CPSP- 2008, MBA	Tanzanian
2	Dr. Paschal Arsein Mugabe	Member	Bachelor Social Science (PSPA), MBA, Masters of Env. Science, PhD Env. Science	Tanzanian

### 1.7.2 Meetings of the MAB:

The Board is required to meet at least four (4) times a year. Senior Management may be invited to attend board meetings to facilitate the effective control of all the authority's operational activities, acting as a medium of communication and coordination on various business units.

Details	Number of meetings required annually		Number of meetings held	
	Ordinary	Extra Ordinary	Ordinary	Extra Ordinary
Ministerial Advisory Board (MAB)	4	-	4	1
Project and Technical Committee (PTC)	4	-	4	-
Business and Finance Committee (FBC)	4	-	4	-

## 1.8 THE MANAGEMENT

The Management of TAA is comprised of Directors and Heads of Units responsible and reporting to the Director General. The Directorate and Units are as mentioned below:

### 1.8.1 Directorate

Human Resources Management and Administration;  
Finance and Business;  
Engineering and Technical Services;  
Regional Airports; and  
Julius Nyerere International Airport.

### 1.8.2 Units

Legal Secretary;  
Environmental Management;  
Airports Rescue & Fire Fighting Services;  
Compliance;  
Internal Audit; and  
Procurement Management.

The Director General is responsible to the Permanent Secretary Ministry of Works and Transport (Transport Sector) and reports to the Permanent Secretary.

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### 1.8.3 Management Committees

#### (A) Tender Board

During the year members of the Tender Board are stipulated in the Table below:

S/N	NAME	DESIGNATION	POSITION	APPOINTMENT DATE	NATIONALITY
1	Mr. Vedastus Fabian	CCU	Chairpers on	15/04/2022	Tanzanian
2	Eng. MbilaMdemu	DETS	Member	1/02/2021	Tanzanian
3	Mr. Lewis Mtoi	MIT	Member	08/10/2021	Tanzanian
4	Mr. Hamis Amir	DRA	Member	02/07/2021	Tanzanian
5	Mrs. Naghuhi wa N. Semadio	DHRA	Member	15/04/2022	Tanzanian
6	Mr. Nasib Elias	Ag. MPS	Member	08/07/2021	Tanzanian
7	CPA. Shadrack Chilongani	Ag. DFB	Member	18/05/2021	Tanzanian
8	Mr. Josephat M. Msafiri	Ag. HPMU	Secretary	1/12/2019	Tanzanian

Meetings of the Tender Board:

Details	Number of meetings required annually		Number of meetings held	
	Ordinary	Extra Ordinary	Ordinary	Extra Ordinary
Tender Board	4		4	2

For the Financial year ended 30th June, 2022, TAA Tender Board Committee pursued its functions as per Section 33 of Public Procurement Act 2011 as amended 2016.

#### (B) Integrity Committee

During the year members of Integrity Committee are as stipulated in the Table below:

SN.	NAME	DESIGNATION	STATUS	DATE APPOINTED
1.	Mr. Bethuel Moshi	P/Accountant	Chairperson	18/10/2021
2.	Mr. Priscus Mkawe	HRO	Secretary	21-Feb-2018
3.	Mr. Raymond Mwewa	Security Officer	Member	18/10/2021
4.	Mr. Steven Minja	PSO	Member	21-Feb-2018
5.	Diana Wangeri	Operation Officer	Member	18/10/2021
6	Maria Ndukeki	S/Internal Auditor		18/10/2021

This Committee is responsible for ensuring compliance with National Anti- corruption Strategy and Implementation Plan Phase three 2017-2022. In the financial year under review the Committee continues implementing its Strategic objectives as follows;

- i. Sub Integrity committees were visited and assessed at two airports (Dodoma and Kigoma)
- ii. A total number of 84 staff were trained on Ethics and anticorruption strategy to Public Servants at TAA HQ, Dodoma and Kigoma.

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- iii. A total number of 509 staff and stakeholders were trained on Ethics and anticorruption strategy to Public Servants at Julius Nyerere International Airport.
- iv. Follow-ups on Installation of CCTV cameras at major airports as part of implementation of Phase III of National Anticorruption Strategy
- v. Awareness materials (posters and brochures) for preventing and combating corruption were provided at Julius Nyerere International Airport
- vi. Total number of 68 staff from JNIA and TAA HQ were trained in E-Mrejesho (Dawati la Malalamiko)

**Meetings of the Integrity Committee:**

Details	Number of meetings required annually		Number of meetings held	
	Ordinary	Extra Ordinary	Ordinary	Extra Ordinary
Integrity Committee	4	-	4	-

**(C) ICT Steering Committee**

The Committee was established by e-Government Act No.10 of 2019 Section 18-1 and is accountable to Director General of the Authority.

**(D) Functions of the Committee**

- i. To review and approve ICT policy and strategy of the institution, followed by relevant approval requirements, if applicable;
- ii. To ensure alignment of ICT with organization's business needs so that ICT initiatives and services facilitate achievement of organization's strategic objectives;
- iii. To review and provide advice on ICT investment portfolio and priorities with a view of attaining value delivery;
- iv. To ensure all ICT-related risks are properly managed, this includes reviewing and approving institutional disaster recovery plans and ensure its effective implementation;
- v. To ensure e-Government guidelines and standards are implemented by institution in order to meet compliance requirements;
- vi. To ensure optimal resource utilization in ICT initiatives implementation, including proper management of ICT infrastructure, human capital and finance;
- vii. To undertake continuous monitoring and evaluation of institutional ICT projects to ensure the anticipated benefits are realized;



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- viii. To approve any other institutional e-Government sub-committee as may, from time to time, be constituted and address specific ICT-related matters;
- ix. To prepare and submit a quarterly e-Government progress report to the Authority; and
- x. To perform such other functions as may be directed by the Accounting Officer or Authority.

The ICT Steering Committee is constituted by the following members

S/N	NAME	DESIGNATION	POSITION	APPOINTMENT DATE	NATIONALITY
1	Mussa-I. Mbura	DG	Chairman	18/03/2022	Tanzanian
2	Eng. MbilaMdemu	DETS	Member	16/10/2020	Tanzanian
3	Mr. Lewis Mtoi	MIT	Secretary	16/10/2020	Tanzanian
6	Mr. Nasib Elias	Ag. MPS	Member	16/10/2020	Tanzanian
7	CPA.Shadrack Chilongani	Ag. DFB	Member	16/10/2020	Tanzanian
8	Mr. Josephat M.Msafiri	Ag. HPMU	Member	16/10/2020	Tanzanian
9	Mr. Leonard Lwiza	Head of ICT Mo WT (Transport Sector)	Member	23/08/ 2021	Tanzanian
10	CPA.Irene Sikumbili	Chief Internal Auditor - CIA	Member	16/10/2020	Tanzanian

Meetings of the ICT Steering Committee:

Details	Number of meetings required annually		Number of meetings held	
	Ordinary	Extra Ordinary	Ordinary	Extra Ordinary
Meetings Quarterly	4		3	

During the year 2021/2022 the Committee has ensured alignment of ICT with organization's business needs to meet initiatives and services facilitate for achievement of organization's strategic objectives, monitoring and evaluation of institutional ICT projects, prepare and submit quarterly e-Government progress report to the Authority.

**(E) Risk Management and Internal Control**

**(i) Risk and internal control assessment**

During the reporting period, the Authority had 5 action plans whereas 60% were completely achieved and 40% were in progress. These action plans include; Annual review of Risk Register and Risk Treatment Action Plans, Training on reviewed TAA's Risk Management Framework, Internal risk management training to 5 airports, Quarterly Risk Implementation Report of Treatment Action Plan as per agreed milestone and participation of risk champions in risk management training organized by accredited institutions.

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TAA has continued to maintain and implement its Risk Management Framework towards achieving its strategic objectives with reasonable assurance during the year under review. During this period, the Authority registered twenty (20) strategic risks and sixty-six (66) treatment actions plans were developed and throughout the course of implementation, 32% of the treatments were completely achieved, 51% were ongoing and 17% were not done.

Generally, the risk profile of the Authority is within the Authority's risk appetite.

**(ii) Safeguarding of Authority's Assets**

During the year under review, no significant loss of Authority's Assets reported.

**(iii) Compliance with Laws and Regulations**

Activities and operations of the Authority were conducted in harmony with the laws and regulations governing the industry includes standard enacted by PPRA, ISO, ICAO, TCAA and other laws. There is no record for non-compliance of the applicable laws and regulations that would have material effect on the Authority.

**(iv) Reliability of Accounting Records**

The Authority continued to use its competent staff in the Finance and Business Department with the use of computerized accounting system known as Mfumo wa Uhasibu Serikalini (MUSE). The Books of accounts have been maintained and the financial statements are prepared and presented in accordance with the International Public Sector Accounting Standards (IPSAS).

**(v) Audit Committee**

The role of the Committee is to provide independent assurance and assistance to the Accounting Officer on control, governance and risk management. The Committee provides the Accounting Officer with prompt and constructive reports on its findings, especially when issues are identified that could present a material risk to the Authority. The Audit Committee is accountable to the Director General of the TAA.

The Audit Committee is constituted by the following members:-

SN	Name	Qualifications	Position	Appointment	End of Tenure
1	Ms. Margaret Kahurananga	Bcom, CPA(T), MBA	Chairperson	05/02/2021	04/02/2024
2	Mr. Placid Kauzen	CPA(T), Advanced Diploma in Certified Accountancy	Member	05/02/2021	04/02/2024

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SN	Name	Qualifications	Position	Appointment	End of Tenure
3	Mr. Angyelile Tende	MBA- Finance, CPA (T)	Member	05/02/2021	04/02/2024
4	Ms.Pamela Mugarula	Degree of Master of Laws (economic law 2011), Bachelor of Laws.	Member	05/02/2021	04/02/2024
5	Mr. Clemence Jingu	Master's in Business Administration, Bachelor of Arts (2002).	Member	05/02/2021	04/02/2024

During the year 2021/2022 the Committee performed their responsibilities as per its annual plan by providing professional advice to the management on the areas of controls, risk management and governance processes through its quarterly meetings. This is done by reviewing reports submitted by internal, external and risk management coordinator. Furthermore, the committee visited Mwanza airport to familiarise with the airport's operations and both completed and ongoing projects

## 1.9 Performed activities for the Year

### 1.9.1 Airport Operations

Airport Operations is one of the Key Result Area involved in the provision and maintenance of equipment and facilities, which give assurance of safe, secure, quality, comfort and reliable services to airlines, passengers and other stakeholders, it is concerned with enhancement of Facilitation, Safety and Security at Airports services.

Activities executed under Financial Year 2021/2022 include;

- (i) Partial Emergency drills were conducted at Regional airports namely Bukoba, Arusha and Songea to enhance airport operations efficiency and comply with national and international requirements (TCAA and ICAO).
- (ii) Aerodrome licenses for Songwe, Bukoba, Mwanza, Songea, Kahama, Mpanda, Kibondo, Kasulu, Dodoma, Tanga, Ukerewe, and Arusha airports were renewed as per regulatory requirement. These Licenses are issued subject to the Regulator (TCAA) being satisfied that the aerodrome complies with the Standards and Recommended Practices (SARPs) and therefore safe for airport operational activities.
- (iii) Annual National Wildlife Committee meeting was conducted at Mwanza and 21 staffs attended training on Wildlife Hazard Management to enhance safety for aircraft movements.

- (iv) 88 Operational Documents (Aerodrome manuals, Emergency Plan manual, SMS manual, Wildlife hazard management manual and water rescue plan manuals) were reviewed and submitted TCAA (the Regulator) for approval.
- (v) 11 Airport Aircraft Marshalls attended a short course on Safety Management System at Civil Aviation Training College (CATC) and Eighteen (18) Airport Operations officers were trained on Global Reporting Format at Mwanza Airport.
- (vi) Conducted Monitoring and Evaluation (M&E) to Airports and Airstrips namely Arusha, Lake Manyara, West Kilimanjaro, Moshi, Same, Mombo, Tanga, Bukoba, Kahama, Geita, Biharamulo, Ngara, Kilwa Masoko, Nachingwea, Lindi, Mtwara, Masasi, Songea, Njombe, Iringa, Dodoma, Tabora and Shinyanga
- (vii) Reviewed security and Quality Control programs for Songwe, Iringa, Sumbawanga, Dodoma, Songea, Mpanda, Tabora, Tanga, Mafia, Arusha, Mwanza, Bukoba, Kilwa Masoko, Lindi, Moshi, Geita and Lake Manyara airports. The programs have been submitted to TCAA for approval.
- (viii) Reviewed Security Programs and Quality Control Programmes for Mwanza, Songwe, Arusha, Mafia Mpanda Nachingwea and Iringa Airports.
- (ix) Conducted Training and Recertification of 62 aviation security staff and 17 Aviation Security Quality Control personnel for Mwanza, Mtwara, Songwe, Arusha, Dodoma and Bukoba airports.
- (x) Acquisition and Installation of 3 X-ray Machines and Walkthrough metal detectors for Mwanza, Kigoma, and Lindi were completed.
- (xi) Acquisition of six Explosive Trace Detectors for Arusha, Mwanza, Dodoma, Mtwara, Kigoma and Songwe were completed.
- (xii) Table top security contingency conducted at Dodoma and Mwanza Airports necessary for preparedness and awareness of security incidence.

#### **1.9.2 Development and Maintenance of Airports**

During the reporting period; the Agency upgraded Car Parking Area Phase III at Arusha Airport, Improvement of Remote Apron and Parallel Taxiway at Arusha Airport, Construction of Main Apron at Arusha airport (Construction of Main Apron and Taxiway A, B and D), Expansion of Check-in Area at Dodoma Airport, Runway at Kilwa Masoko Airport repaired, Runway at Lake Manyara Airport Maintained, Construction of Security Fence at Dodoma Airport is implemented by 10% and Rehabilitation of Terminal Building at Arusha Airport completed by 20%.

The Agency serviced, operated and maintained Airport Information Management System (AMIS) - CUTE systems at JNIA TBI & TBII; Valuation of additional land for installation of Approach Lights at Dodoma Airport was accomplished and the Approved Valuation Report with amount TZS 2,113,583,597.01 was submitted by Ministry of Works and Transport to the Ministry of Finance and Planning to request for compensation funds; Verification of cost for compensations amounting to TZS 6,318,018,439.00 for Simiyu Airport Site and request for approval of the Valuation Report by Chief Government Valuer was accomplished; Costs for Cadastral Survey of Iringa Airport were approved and Cadastral Survey was in progress; The process for acquisition of Title Deeds of Songea Airport was postponed pending acquisition of additional land whereby the assessment of additional land was accomplished; Communicated with Sumbawanga Municipal Council to resubmit the Cadastral Survey costs; Costs for Cadastral Survey of Lake Manyara Airport were approved and Cadastral Survey was in progress and Disclosure of Draft Valuation Report for Nachingwea Airport and the resulting updates was accomplished.

#### **1.9.3 Corporate Planning and Resources Management**

For the reported period, the Agency prepared Medium Term Expenditure Framework (MTEF) for the financial year 2021/2022 through PLANREP; The Strategic Plan (2021/2022 - 2025/2026); the Action Plan 2021/2022; Annual Procurement Plan 2021/2022; and the Annual Performance Contracts between Permanent Secretary and Director General for the financial year 2021/2022.

#### **1.9.4 Business Development**

During the reporting period, the Agency developed Marketing Strategy and Plan for promoting Airport businesses; Contract Management system for managing Airport's commercial contracts; Conducted a preliminary study on viability of Development of Automotive Service Stations at JNIA, Mwanza, Songwe, Arusha and Mafia Airports and attracted two airlines (Jambo Jet and Astral Aviation) to commence operations at JNIA in FY 2022/2023.

For the financial year 2021/2022, TAA annual traffic statistics data have indicated a sign of recovery from the COVID 19 impact. Continual efforts by States to implement WHO and ICAO recommendations, including elimination of travel restrictions which was formerly imposed as a measure to control the COVID 19 pandemic acts as triggering factors towards the ongoing traffic recovery. Other factors for positive traffic growth include recovery in some economic activities such as tourism, trade and investments within a country. Overall aircraft movements have increased by 36%, passengers increased by 55% and cargo tonnage grew by 32%.

The table below summarizes traffic performance for all aerodromes managed by TAA for the financial year 2021/2022 compared to the financial year 2020/2021.

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**Traffic Movements**

S/N	CATEGORY	2021/2022	2020/2021	VARIANCE (%)
1	Aircraft Movements	103,961	76,315	36%
2	Number of Passengers	2,947,852	1,903,900	55%
3	Cargo Tonnage	28,654	21,775	32%

**1.9.5 Future Outlook**

Proper organization and resource management is a catalyst towards attainment of strategic objectives of the organization. Effective and efficient planning, implementation and evaluation of organization strategies, streamlined business processes and corporate plans through competent and well-motivated workforce are required for future welfare of the Organization. In order to achieve the above objectives, TAA engineered the following plans: -

- (i)
- (ii) Implementation of Safety, Security, Facilitation and environmental standards at airports;
- (iii) Acquisition of Lands for new airports sites for New Manyara, Kisumba (Sumbawanga), Simiyu, Msalato, Dodoma, Lake Manyara, Nachingwea, Songea, Nyasurura (Musoma), Biharamulo, Morogoro, Bukoba and Masasi;
- (iv) Development of Land Use Plans for Dodoma, Iringa, Geita, Tanga and Lake Manyara;
- (v) Development of ICT Master Plan;
- (vi) Development and implementation of Revenue control and monitoring system;
- (vii) Acquisition of Fire Tender for Dodoma Airport;
- (viii) Implementation of Monitoring and Evaluation system; and
- (ix) Implementation of Institutional Risk Management Framework.

**1.9.6 Solvency**

Solvency is the ability of an entity to meet its long-term debts and financial obligations. The Agency confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. With the reasonable expectation that TAA has adequate resources to continue in operational existence for the foreseeable future.

The Authority's total liability as at 30 June 2022 was TZS 62.152 billion and TZS 67.261 billion for 2020/2021. Total Assets as at 30 June 2022 of TZS 7,398.079 billion and for 2021/2022 TZS 7,418.731 billion.

**1.9.7 Liquidity**

Liquidity is the ability of an entity to use its current asset to meet its short-term liability. The Authority's current liability as at 30 June 2022 was TZS 64.691 billion and TZS 67.261

billion for 2020/2021. And current Assets as at 30 June 2022 of TZS 81.008 billion and for 2020/2021 TZS 70.862 billion.

#### **1.9.8 Prejudicial Matters**

During the year ended 30 June 2022, there were no serious prejudicial matters to report as required by the Tanzania Financial Reporting Standard No.1 (Director's Report).

#### **1.9.9 Employee Welfare**

##### **Management and Employees' Relationship**

There were continued good relation between employees and management for the year ended 30 June 2022. There were no any material unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between Management and TUGHE.

TAA employees are members of Social Security Fund (PSSSF) and submits its contributions monthly with regards to its employees.

TAA promoted 193 employees, re-categorized 15 employees, and confirmed 187 employees; conducted two (2) Master workers councils; purchased four (4) motor vehicles; and provided supportive services to HIV/AIDS affected employees.

#### **1.9.10 Training**

For the financial year ended 30th June, 2022, the Agency spent TZS 0.395 billion for staff training on Airport operation courses, contract administration and management and financial management courses in order to improve employee's technical skills for efficiency and effective execution of their duties.

#### **1.9.11 Persons with Disabilities**

Disadvantaged groups have equal opportunities and every assistance is being provided to enable them work comfortably.

#### **1.9.12 Gender Parity**

Policies exist to maintain gender balance based on qualifications and ability. The Agency had 726 employees, out of which 240 were female and 486 were male.

#### **1.9.13 Medical Assistance**

The Authority contributes to National Health Insurance Fund (NHIF) to cover for medical expenses of the employees with maximum number of five beneficiaries to each employee.

#### **1.9.14 Related Party Transactions**

Details of transactions with related parties and outstanding balances as at the reporting date are disclosed in note 55 of the financial statements. All transactions with related parties were undertaken on arm's length basis.

#### **1.9.15 Environmental Control Programme**

The Authority has managed to install incinerators at JNIA and Mwanza airports in order to enhance hazardous waste management and construction of garbage transfer stations at Arusha, Dodoma and Mwanza airports to improve solid waste management system completed.

To meet requirements of Environmental Management Act, 2004, TAA managed to obtain Environmental Audit Certificate for Julius Nyerere International Airport and continuing with Initial Environmental Audit at Mwanza airport. Monitoring of Environmental and Social Management Plan (ESMP) were conducted at Songea, Musoma, Bukoba, Tabora and Mpanda.

During the reporting period, Occupational Health and Safety System at airports monitored. Moreover, to build the capacity of Airport staff on the Occupational Health and Safety; first aid training for sixty two (62) staffs from 23 airports was conducted on 18th - 20th May, 2022 by OSHA and monitoring of water quality conducted through measuring potable water from sixteen (16) TAA owned boreholes (JNIA (7), Mafia (1), Lindi (1), Arusha (1), Songea (2), Lake Manyara (1), Kigoma (1), Dodoma (1) Mpanda (1) and wastewater from three treatment systems (JNIA, Mwanza and Bukoba).

#### **1.9.16 Corporate Social Responsibility (CSR)**

TAA is committed to donate and assist the communities around its Airports to address issues of prime local concern such as security, education, health, environment protection and water supply programs among other. The Authority provided support in the form of charitable donations, sponsorship, staff volunteering and other resources such as the sharing of professional skills and expertise.

In the reporting period, TAA made contributions in education and health sectors worth TZS 0.0996 billion as follows;

- (i) Sponsored Tamasha la utoaji wa tuzo in Mbeya
- (ii) Sponsored Tamasha la utamaduni in Mwanza
- (iii) Sponsored aviation fun run organized by TCAA
- (iv) Sponsored TARA annual meeting of Engineers



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- (v) Donated 10 tables and 10 chairs for the teacher's office at Kinyerezi JICA primary school
- (vi) Donated 200 bags of cement to Tabora Region for construction of girls for minatory
- (vii) Donated Building materials for completion of construction of primary school classrooms and health centre
- (viii) Donated Building materials for commencement of construction of police post at Mtwara Airport
- (ix) Donates Cement for 341 for Classrooms and Health centre

#### **1.9.17 COMMENTARY ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

##### **(i) Introduction**

The Financial Statements of the Tanzania Airports Authority provides a record of Authority Financial Performance, Financial Position, Cash flows, change in Net Assets/Equity, notes to the financial statement for the year 30 June 2022. Below is an overview of the Authority financial statements for the financial year ended 30 June 2022.

##### **(ii) Financial Overview**

The activities of the Tanzania Airports Authority (TAA) are financed mainly by Own Source Fund and Government Grants (i.e., Recurrent and Development). During the financial year under review the Approved budget for Tanzania Airports Authority was TZS 121.321 billion and the actual amount was TZS 107.410 billion as illustrated in below Table:

	Approved Budget 2021/2022	Actual Collection 2021/2022		
		"000,000"	Variance	
Item	TZS	TZS	TZS	Variance
	"000,000"	"000,000"	"000,000"	%
Govt Subvention- (OC)	16,249	15,809	440	97%
Govt Subvention- (Dev)	51,528	16,262	35,266	32%
Govt Subvention- (PE)	10,455	10,778	-323	103%
TAA Own Source	43,089	64,561	-21,472	150%
<b>Total</b>	<b>121,321</b>	<b>107,410</b>	<b>13,911</b>	<b>89%</b>

##### **(iii) Cash and Cash Equivalent**

Cash and Cash Equivalent involves cash at the end of the period with Revenue Accounts, Collection Accounts and Expenditure Accounts TZS 35.999 billion as at 30 June 2022 compared to TZS 23.508 billion for the financial year ended 30 June 2021.

**(iv) Inventories**

The inventories as at 30 June 2022 was TZS 0.343 billion compared to TZS 0.481 billion for the Financial Year ended 30 June 2021.

**(v) Prepayments**

Prepayments during the year 2021/2022 amounting to TZS 2.355 billion compares to TZS 0.981 billion in 2020/2021. The increase was caused by advance payment made to GPSA for acquisition of Motor vehicles.

**(vi) Account Receivables**

The amount receivable as at 30th June, 2022 is TZS 32.360 billion compared to TZS 38.840 billion for the financial year 2020/2021. Business activities at the Airports improved, that resulted into more collection of outstanding invoices.

**(vii) Property Plant and Equipment (PPE)**

The total Carrying Amount for PPE as at 30th June, 2022 is TZS 7,304.016 billion as compared to TZS 7,318.340 billion for the Financial Year ended 30th June, 2021. The decrease was caused by wear and tear of the Asset as per IPSAS 17- Property, Plants and Equipment.

**(viii) Note 53: Property, Plant, and Equipment**

As of June 30, 2022, The Agency is the owner of land and properties located at Kilimanjaro International Airport (KIA) with a concessionary fee for the use of properties and rent amounting to 1,000 USD per annum. However, the properties have not been recognized in the financial statement this year due to the lack of reliable value and cost information.

The Agency is following up the handover and assets valuation process, which will enable the properties to be recognized in the books of account.

The recognition of these properties in the financial statements will have an impact on the Agency's financial position and results of operations.

We have evaluated the impact of this matter on the financial statements and have determined that the information provided is accurate and complete. However, this note is subject to the completion of the asset's valuation process, and adjustments may be necessary in the future.

**(ix) Work in Progress**

The total Carrying Amount for WIP as at 30th June, 2022 is TZS 19.287 billion as compared to TZS 29.527 billion for the Financial Year ended 30th June, 2021. The decrease was caused by projects completed being transferred to PPE.

**(x) Payables**

The Outstanding Liabilities as at 30th June, 2022 is TZS 60.356 billion compared to TZS 67.245 billion for the financial year 2020/2021. The major categories of payable include CRDB Bank loan, VAT Outstanding and Other payables.

**(xi) Accumulated Surplus /Deficit**

At the end of financial year 2021/2022 Tanzania Airports Authority had the Accumulated Surplus of TZS 887.343 billion compared to TZS 909.200 billion for financial year 2020/2021.

**(xii) Revenue**

**Revenue from non-exchange transaction**

The Revenue from non-exchange transaction (Government Subvention) as at 30th June, 2022 is TZS 30.609 billion compared to TZS 42.212 billion for the financial year 2020/2021. The increase was caused by Government grant to finance operation of Terminal Building III, Construction of inner fence at Mwanza Airport and Renovation of Terminal Building at Arusha Airport.

**Revenue from exchange transaction**

The Revenue from exchange transactions was TZS 59.038 billion as at 30th June, 2022 compared to TZS 49.208 billion for the financial year 2020/2021.

**(xiii) Expenses**

**Wages, Salaries and Employees Benefits**

The total wages, salaries and employee benefits was TZS 20.443 billion for the financial year 2021/22 compared to TZS 24.124 billion incurred in the financial year 2020/21.

**Supplies and Consumable Goods**

Total expenditure for supplies and Consumable Goods was TZS 21.507 billion for the financial year 2021/22 compared to TZS 13.139 billion for the year ended 2020/21. The reasons for the increase is due to updating of General Financial Statistics (GFS

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Code) adopted from Central Government (MUSE Financial System implemented in Financial Year 2021/2022).

#### Routine Maintenance and Repairs

Total expenditure for Routine Maintenance and Repairs Expenses was TZS12.282 billion for the year 2021/22 compared to TZS 15.314 billion in the financial year 2020/21.

#### Other Expenses

Other Expenses was TZS 1.564 billion for the year 2021/22 compared to TZS 4.997 billion in the financial year 2020/21. The difference caused by the exclusion of share of Landing and Parking payable to TCAA and TMA in 2021/2022 which was treated as revenue instead of Third Party fund.

#### Depreciation and amortization expenses

The amount of depreciation charged was TZS 43.706 billion during the year 2021/22 compared to TZS 47.327 billion for the year 2020/21.

#### Interest Expenses

The Finance/Interest cost was TZS 7.761 billion for the year 2021/22 compared to TZS 0 as in the year 2020/2021 there no relevant expenses item (GFS Code).

#### Restatement of Prior Year adjustment 2020/2021

During the Year 2021/2022 the Agency adjust the opening balance of Receivable and statement of Equity as follows;

SN	Item	Original amount as at 30 June 2021 TZS	Restated amount as at 30 June 2021 TZS	Difference TZS	Reasons
1	Receivable	45,657,933,713	38,840,671,201	6,817,262,512	An amount used to buy KADCO shares from outgoing private investors on behalf of the Government
2	Statement of Equity	916,017,931,330	909,200,668,818	6,817,262,512	Being an adjustment of unrecognized grants of TZS 6,817,262,512.00 used to buy KADCO shares from outgoing private investors on behalf of the Government.

#### 1.10 STATEMENT OF PERMANENT SECRETARY RESPONSIBILITIES

The Executive Agencies Act 1997 requires every Agency to prepare Financial Statements for each financial year, at the end of the financial period that gives a true and fair view. Moreover, this legal requirement has been further emphasized in the Public Finance Act 2001 (Revised Edition, 2004) and the Public Audit Act No.11 of 2008.

The Permanent Secretary, Ministry of Works and Transports (Transport Sector) confirms that the Management has prepared Financial Statements based on the International Public Sector Accounting Standards (IPSAS) Accrual Basis and in accordance with the directives of the Paymaster General. The Permanent Secretary confirms that suitable accounting policies have been used and reasonable prudent judgment and estimates have been made in the preparation of the Financial Statements for the year ended 30th June, 2022. Furthermore, it is hereby confirmed that, the Financial Statements have been prepared on the going concern and consistent basis.

Signature: 

Deputy Permanent Secretary: Dr. Ally Possi  
(MoWT)-Transport Sector

Date: 09/03/2023

## 2.0 STATEMENT OF MANAGEMENT RESPONSIBILITY

Section 25 (2) and (4) of Public Finance Act No. 6 of 2001 (revised 2004) and Section 15 of the Executive Agencies Act 1997 (amended 2009) spell out that, Chief Executive is responsible for the preparation and fair presentation of these Financial Statements for the year ended 30 June 2022 in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB). Further, the Management complied with NBAA pronouncements, and requirements of the Government Notice No. 404 of 29th November 1999 under Executive Agencies Act No.30 of 1997. The Management is equally responsible for internal control systems to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

The Management accept responsibility for these Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IPSAS, NBAA pronouncements, and in a manner required by the Establishment Order and Executive Agencies Act, 1997. The Management is of the opinion that Financial Statements give a true and fair view of the state of the financial affairs of TAA and its operating results. The Management further accepts responsibility for the maintenance of accounting records which may be relied upon the preparation of Financial Statements, as well as adequate systems of internal financial control.

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

There is no system of internal control that can provide absolute assurance against misstatement or losses, nevertheless, the Authority's system is designed to provide reasonable assurance that the procedures in place are operating effectively.

The Management assessed the internal control systems throughout the financial year ended 30th June, 2022 and is of the opinion that they met accepted criteria. The Director General carries risk and internal control assessment through the Audit Committee.

Signature: 

Mussa I. Mbura

Director General

Date: 8/03/2023.

### 3.0 DECLARATION BY DIRECTOR OF FINANCE AND BUSINESS

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

It is the duty of a professional Accountant to assist the Management to discharge the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's position and performance in accordance with applicable international Accounting standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Director General as under the Directors Responsibility statement on an earlier page.

I CPA, Shadrack Chilongani being the Ag. Director of Finance and Business of Tanzania Airports Authority hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2021 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and the Public Finance Act 2001 (revised 2004) requirements.

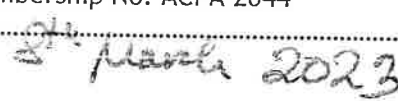
I thus confirm that the financial statements present fairly in all material aspects, the Financial Position of Tanzania Airport Authority as at 30 June 2022, and its Financial Performance and Cash Flows for the year ended have been prepared based on properly maintained financial records.

Signed by: CPA. Shadrack E.D. Chilongani

Signature: 

Position: Ag. Director of Finance and Business

NBAA Membership No: ACPA 2044

Date: 

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**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022**

	Note	2022 TZS	2021 TZS Restated
<b>ASSETS</b>			
Current Asset			
Cash and Cash Equivalents	32	35,999,764,499	23,508,607,696
Inventories	34	343,944,278	481,301,529
Prepayments	33P	2,355,387,806	981,630,554
Receivables	33	32,360,789,767	38,840,671,201
<b>Total Current Asset</b>		<b>71,059,886,350</b>	<b>63,812,210,980</b>
Non-Current Asset			
Intangible Assets	52	0	0
Property, Plant and Equipment	53	7,304,016,948,023	7,318,340,626,747
Work In Progress	51	19,287,271,267	29,527,879,487
<b>Total Non-Current Asset</b>		<b>7,323,304,219,290</b>	<b>7,347,868,506,234</b>
Non-Current Asset Held for Sale			
Non-Current Assets held for Sale	38	0	0
<b>Total Non-Current Assets Held for Sale</b>		<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>		<b>7,394,364,105,640</b>	<b>7,411,680,717,214</b>
<b>LIABILITIES</b>			
Current Liabilities			
Deferred Income (Revenue)	46	3,868,045,013	0
Deposits	47	3,609,137,740	0
Payables and Accruals	39	60,356,286,357	67,245,707,699
<b>Total Current Liabilities</b>		<b>67,833,469,110</b>	<b>67,245,707,699</b>
Non-Current Liabilities			
Deferred Income (Capital)	46B	3,953,133,443	0
<b>Total Non-Current Liabilities</b>		<b>3,953,133,443</b>	<b>0</b>
<b>TOTAL LIABILITIES</b>		<b>71,786,602,553</b>	<b>67,245,707,699</b>
<b>Net Assets</b>		<b>7,322,577,503,087</b>	<b>7,344,435,009,515</b>
<b>NET ASSETS/EQUITY</b>			
Capital Contributed by:			
Taxpayers/Share Capital	101	6,435,234,340,697	6,435,234,340,697
Accumulated Surpluses / Deficits		887,343,162,390	909,200,668,817
		<b>7,322,577,503,087</b>	<b>7,344,435,009,514</b>

Signature: 

Mussa I. Mbura  
Director General

Date: 08/03/2023



STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

		2022	2021
	Note	TZS	TZS
<b>REVENUE</b>			
Revenue			
Fees, fines, penalties and Forfeits	15	3,573,100,586	2,123,526,318
Other Revenue	21	43,355,547,976	26,672,048,977
Revenue from Exchange Transactions	17	5,777,904,633	20,413,384,461
Revenue Grants	16	30,609,268,677	42,212,498,661
Other Receipt	21B	9,418,308,383	0
<b>TOTAL REVENUE</b>		<b>92,734,130,256</b>	<b>91,421,458,417</b>
<b>EXPENSES AND TRANSFERS</b>			
Expenses			
Amortization of Intangible Assets	52A	0	163,687,644
Depreciation of Property, Plant and Equipment	51A	43,706,857,914	47,327,392,660
Interest Expenses	27	7,761,634,226	0
Maintenance Expenses	25	12,282,326,002	15,314,048,562
Other Expenses	28	1,564,262,754	4,997,925,407
Use of Goods and Service	24	21,507,875,392	13,139,366,880
Wages, Salaries and Employee Benefits	22	20,443,744,379	24,124,915,358
Total Expenses		<b>107,266,700,667</b>	<b>105,067,336,511</b>
Transfer			
Grants, Subsidies and other Transfer Payments	26	7,324,936,015	4,130,689,930
Total Transfer		<b>7,324,936,015</b>	<b>4,130,689,930</b>
<b>TOTAL EXPENSES AND TRANSFERS</b>		<b>114,591,636,682</b>	<b>109,198,026,441</b>
Surplus / Deficit		<b>-21,857,506,426</b>	<b>-17,776,568,024</b>

Signature:.....

Mussa I. Mbura  
Director General

Date: 08/03/2023.

**STATEMENT OF CHANGES IN NET ASSET AND EQUITY FOR THE PERIOD ENDED 30  
JUNE 2022**

	Tax Payer's Fund TZS	Accum. Surplus/(Deficit) TZS	Total TZS
Opening Balance as at 01 Jul 2021	6,435,234,340,697	909,200,668,818	7,344,435,009,515
Surplus/ Deficit for the Year	0	-21,857,506,427	-21,857,506,427
Closing Balance as at 30 Jun 2022	6,435,234,340,697	887,343,162,391	7,322,577,503,088
Opening Balance as at 01 Jul 2020	6,435,234,340,697	933,794,499,354	7,369,028,840,051
Prior year Adjustment	0	-6,817,262,512	-6,817,262,512
Surplus/ Deficit for the Year	0	-17,776,568,024	-17,776,568,024
Closing Balance as at 30 Jun 2021	6,435,234,340,697	909,200,668,818	7,344,435,009,515

**CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022**

	<b>TZS</b>	<b>TZS</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>RECEIPTS</b>		
Taxation	0	0
Revenue Grants	0	39,471,502,314
Revenue from Exchange Transactions	5,777,904,633	0
Other Revenue	50,210,972,544	3,714,425,420
Other Receipts	9,418,308,383	0
Levies	0	38,118,471,400
Funds Received	38,430,447,133	0
Fees, fines, penalties and Forfeits	3,573,100,586	0
<b>Total Receipts</b>	<b>107,410,733,279</b>	<b>81,304,399,134</b>
<b>PAYMENTS</b>		
Wages, Salaries and Employee Benefits	20,537,818,662	18,795,129,258
Use of Goods and Service	26,435,665,235	17,720,817,802
Other Payments		0
Other Expenses	1,564,262,754	5,133,217,061
Maintenance Expenses	12,282,326,002	15,849,513,484
Interest Expenses	7,643,051,321	1,121,174,737
Grants, Subsidies and other Transfer Payments	7,324,936,015	0
<b>Total Payments</b>	<b>75,788,059,989</b>	<b>58,619,852,342</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>31,622,673,290</b>	<b>22,684,546,792</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Work in progress	6,577,101,975	8,927,333,667
Acquisition of Property, Plant and Equipment	12,554,414,511	481,834,873
<b>Total Investing Activities</b>	<b>19,131,516,486</b>	<b>9,409,168,540</b>
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>19,131,516,486</b>	<b>9,409,168,540</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Financing Activities		
Grants refunded/ transferred	0	0
<b>Total Financing Activities</b>	<b>0</b>	<b>0</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>0</b>	<b>0</b>
<b>Net Increase</b>	<b>12,491,156,804</b>	<b>13,275,378,252</b>
<b>Net Increase</b>	<b>12,491,156,804</b>	<b>13,275,378,252</b>
Cash to be Surrendered to Holding Account	0	0
Cash to be Surrendered to PMG	0	0
Effect of Foreign Currency Changes	0	0
<b>Cash and cash equivalent at beginning of period</b>	<b>23,508,607,695</b>	<b>10,233,229,442</b>
<b>Cash and cash equivalent at end of period</b>	<b>35,999,764,499</b>	<b>23,508,607,695</b>

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2022

Budgeted Amount

	Original Budget		Reallocations/ Adjustments		Final Budget (B)		Actual Amount on Comparison Basis (A)		Different Final Budget & Actual (B-A)	
	TZS		TZS		TZS		TZS		TZS	
<b>RECEIPTS</b>										
Fees, fines, penalties and Forfeits	4,943,032,195		0		4,943,032,195		3,573,100,586		1,369,931,609	
Funds Received	46,705,091,095		4,610,139,816		51,315,230,911		41,517,125,251		9,798,105,660	
Other Revenue	44,254,646,369		0		44,254,646,369		56,542,602,809		-12,287,956,440	
Revenue from Exchange Transactions	20,808,528,310		0		20,808,528,310		5,777,904,633		15,030,623,677	
<b>Total Receipts</b>	<b>116,711,297,970</b>		<b>4,610,139,816</b>		<b>121,321,437,786</b>		<b>107,410,733,279</b>		<b>13,910,704,506</b>	
<b>PAYMENTS</b>										
Grants, Subsidies and other Transfer Payments	26,917,685,578		0		26,917,685,578		7,324,936,015		19,592,749,563	
Interest Expenses	0		0		0		7,643,051,321		-7,643,051,321	
Maintenance Expenses	16,038,623,703		2,424,993,016		18,463,616,720		12,282,326,002		6,181,290,718	
Other Expenses	4,108,431,070		-521,333,600		3,587,097,470		1,564,262,754		2,022,834,716	
Use of Goods and Service	25,536,277,448		-463,779,681		25,072,497,767		26,435,665,235		3,329,267,272	
Wages, Salaries and Employee Benefits	17,586,760,869		2,343,450,635		19,930,211,504		20,537,818,662		-607,607,158	
Acquisition of Property, Plant and Equipment	18,215,660,901		5,438,717,730		23,654,378,632		12,554,414,511		11,099,964,121	
Work in progress	8,307,858,400		0		8,307,858,400		6,577,101,975		1,730,756,425	
<b>Total Payment</b>	<b>116,711,297,971</b>		<b>9,222,048,100</b>		<b>125,933,346,071</b>		<b>75,788,059,989</b>		<b>50,145,286,082</b>	
<b>Net Receipts/Payments</b>	<b>0</b>		<b>-4,611,908,285</b>		<b>-4,611,908,286</b>		<b>12,491,156,804</b>		<b>-36,234,581,576</b>	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 1. GENERAL INFORMATION

Tanzania Airports Authority (TAA) was established under the Executive Agencies Act No. 30 of 1997 through Government Notice Number 404 of 29th November 1999, assuming the functions of the former Directorate of Aerodromes under the Ministry of Communications and Transport, then the Ministry of Works, Transport and Communications currently the Ministry of Works and Transport. The operation of the Authority is vested on the Ministerial Advisory Board appointed by the Minister of Communication and Transport for a term of three years. The day-to-day running of the affairs of the Authority is vested on the Director General. The head office of TAA is located at Julius Nyerere International Airport, Terminal. Its main responsibility of the Authority is the provision of public airport services in Tanzania Mainland.

#### PLACE OF BUSINESS.

Julius Nyerere international Airport, Terminal One,  
P.O.BOX 18000,  
Dar es Salaam.  
Phone: +255 22 2842402/3  
Fax: +255 22 2844495

#### PARENT MINISTRY

Ministry of Works and Transport,  
Government City Mtumba,  
P.O.BOX 638  
40470 Dodoma, Tanzania.

#### BANKERS

Bank of Tanzania,  
2 Mirambo Street,  
P.O.BOX 2939  
11884 Dar es Salaam, Tanzania.

#### LAWYERS

Attorney General Chambers, Kivukoni Front,  
P.O.BOX 9050,  
Dar-es-salaam, Tanzania.

#### NMB BANK LIMITED,

Bank House Branch, P.O.BOX 9213,  
Dar-es Salaam, Tanzania  
CRDB Bank plc,  
P.O.BOX 268, .  
Dar-es Salaam, Tanzania

#### AUDITOR

The Controller and Auditor General (CAG),  
National Audit Office, 4 Ukaguzi Road,  
P.O.BOX 950,  
41101 Tambukareli Dodoma, Tanzania

## **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The entity's financial statements have been prepared in accordance with Public Finance Act No. 6 of 2001 (revised 2004), and comply with the requirements of International Public Sector Accounting Standards (IPSAS -Accrual) and accounting circulars issued by the Government. The financial statements are presented in Tanzania Shillings (TZS) which is a functional and reporting currency of the Government.

The measurement base applied is historical cost, these financial statements have been prepared on going concern basis. Accounting policies have been consistently applied to all the years presented. The cash flow statement is prepared using direct method. Presentations of Financial Statement 2021/2022 were presented by nature.

## **3. REPORTING ENTITY AND REPORTING PERIOD**

The financial statements are for the Tanzania Airports Authority and the reporting period for these financial statements is the government financial year 2021/2022 which is the period from 1st July 2021 up to 30 June 2022.

## **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted, which are consistent with those of previous years, are shown below.

### **4.1 Foreign currency translation**

#### **(a) Functional and presentation currency**

Items included in the financial statements of the Tanzania Airports Authority are measured using the currency of the primary economic environment in which the Authority operates (the functional currency). The financial statements are presented in Tanzanian Shillings (TZS), which is the Authority functional and presentation currency.

#### **(b) Transactions and balances**

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

### **4.2 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, and are measured at amortized cost. For the purpose of the cash flow

statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

#### **4.3 Employment benefits**

The Authority operates defined contribution plans. Employees are members of Public Service Social Security Fund (PSSSF). The Authority contributes 15% of basic salary of each permanent and pensionable employee to PSSSF. The Authority operates insured (health benefit) plan where contributions are paid to the National Health Insurance Fund (NHIF), both the employer and employee contribute 3% of basic salary.

##### **Short- and long-term employee benefits**

The cost of all short term employee benefits, such as leave pay, is recognized during the period in which the employee renders the related service. The Authority recognizes the expected cost of performance bonuses only when the Authority has a present legal or constructive obligation to make such payment, and a reliable estimate can be made.

#### **4.4 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Authority and revenue can be reliably measured.

##### **4.4.1 Grants from Government and Donors**

Funds received from the government and Donors are credited to the deferred satisfy When services are delivered and the conditions attached to the funds are met, the contribution is recognized as revenue in the statement of financial performance equivalent to the extent of the expenses incurred for the year. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Authority with no future related costs are recognized in the statement of financial performance in the period in which they become receivable. Non exchange transactions are measured at fair value.

##### **4.4.2 Revenue from Exchange Transactions**

Revenue shall be measured at the fair value of the consideration received or receivable.

##### **Recognition:**

###### **(i) From sale of goods**

When significant risks and rewards have been transferred to purchaser, loss of effective control by seller, amount of revenue can be reliably measured, it is likely that the economic benefits or service potential associated with the transaction will flow to the

entity, and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**(ii) From rendering of services**

Reference to the stage of completion of the transaction at the reporting date, provided the outcome of the transaction can be estimated reliably. If the outcome of the transaction cannot be estimated reliably, revenue shall be recognized only to the extent of the expenses recognized that are recoverable.

**(iii) For interest, royalties, dividends, fees, charges and rent income**

These are recognised when it is probable that economic benefits or service potential will flow to TAA, and the amount of the revenue can be measured reliably.

- Interest income on a time proportion basis that takes into account the effective yield on the asset.
- Royalties and fees as they are earned in accordance with the substance of the relevant agreement.
- Dividends or their equivalents when the shareholder's or TAA's right to receive payment are established.
- Rental income from use of assets and services is recognized on a straight line basis over the term of the relevant lease.
- Car parking charges as income is earned i.e. when it accrues not necessarily paid.

**4.5 Expenses**

Under accrual basis expenditure is recorded in the accounts when it incurred and not necessarily when it is paid for.

**4.6 Inventories**

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. However, where inventories are acquired through a non-exchange transaction, their cost shall be measured as their fair value as at the date of acquisition. Inventories are required to be measured at the lower of cost and current replacement cost where they are held for:



- Distribution at no charge or for a nominal charge
- Consumption in the production process of goods to be distributed at no charge or for a nominal charge.
- Costs include all purchase cost, conversion cost (materials, labour, and overhead), and other costs to bring inventory to its present location and condition, but not foreign exchange differences and selling costs. Trade discounts, rebates, and other similar items are deducted in determining the costs of purchase.
- For inventory items that are not interchangeable, specific costs are attributed to the specific individual items of inventory.
- TAA applies the same cost formula for all inventories having similar nature and use; a difference in geographical location of inventories by itself is not sufficient to justify the use of different cost formulas.
- For interchangeable items, cost is determined on a first in, first out basis. For inventories with a different nature or use, different cost formulas are used.
- When inventories are sold, exchanged, or distributed, the carrying amount is recognized as an expense in the period in which the related revenue is
- Recognized. If there is no related revenue, the expense is recognized when the goods are distributed or related services have been rendered.
- Write downs to net realisable value are recognized as an expense in the period the loss or the write down occurs. Reversals arising from an increase in net realisable value are recognized as a reduction of the inventory expense in the period in which they occur.

#### **4.7 Property, Plant and Equipment**

Property, plant and equipment are stated at cost, excluding the costs of day today servicing, less accumulated depreciation and accumulated impairment in value. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Authority recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred.

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MINISTRY OF WORKS AND TRANSPORT TANZANIA AIRPORT AUTHORITY (TAA)

Where an asset is acquired in a non-exchange transaction for no amount or nominal consideration the asset is initially measured at its fair value.

Depreciation is calculated on a straight-line basis over the useful life of the assets.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable to the recoverable amount or recoverable service amount. An item of property, plant 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 the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of financial performance in the year the asset is derecognized. The residual values, useful lives and methods of depreciating property, plant and equipment are reviewed, and adjusted if appropriate, at each financial year end.

The annual rates of depreciation which have been consistently applied are:

S/N	Asset	Rate (%)
1	Household Furniture	10
2	Office Furniture and Fittings	10
3	Land	NIL
4	Buildings	2
5	Runways, Taxiway, and Apron	2
6	Motor Vehicles	25
7	Equipment and Plants	10
8	Computer	33
9	Chain Link and Block Wall	5
10	Fire Fighting Vehicles	10
11	Office Equipment	10
12	Intangible Assets	33

#### 4.8 Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. An intangible asset with a finite life is amortized over its useful life. Software costs are expensed on a straight-line basis over three years.

Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired.

The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in surplus or deficit as the expense category that is consistent with the nature of the intangible asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the surplus or deficit when the asset is derecognized.

#### **4.9 Impairment of non-financial assets**

At each reporting date, the Authority assesses 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 Authority estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's 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 Authority's of assets.

Impairment losses, including impairment on inventories, are recognized in the statement of financial performance in those expense categories consistent with the nature of the impaired asset.

Goodwill is tested for impairment on an annual basis. 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 Authority 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 surplus or deficit.

#### **4.10 Financial Instruments (financial assets/liabilities)**

##### **Initial Recognition**

TAA recognizes a financial asset or a financial liability in its statement of financial position when, and only when, the Authority becomes a party to the contractual provisions of the instrument.

#### **4.11 Related Party Transactions**

Parties are considered to be related if one party can control the other party individually or jointly, or to exercise significant influence over the other party in making financial and operating decisions. They include relationship with subsidiaries, associates, joint ventures and key Management personnel. For TAA, key management shall include; Members of the Ministerial Advisory Board, Members of the Audit Committee, Director General, Directors; Heads of Units and their close relatives. Some of the Authority's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these Financial Statements.

#### **4.12 Interest bearing loans and borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in surplus or deficit.

#### **4.13 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are recognised in surplus or deficit in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Capitalization ceases when construction of the asset is complete; thereafter all borrowing costs are charged to the statement of financial performance

#### **4.14 Research and development costs**

The Authority expenses all research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Authority can demonstrate:

- Technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset

- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Only application software is classified as an intangible asset. Operating software is therefore not included in intangible assets, but rather in property, plant and equipment as it cannot be separated from the hardware. Also, software licenses (where they relate to more than one financial period) are capitalized as part of intangible assets and grouped in the software category.

#### 4.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

##### 4.15.1 TAA as lessor

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

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

##### 4.15.2 TAA as lessee

- (a) Assets held under finance leases are recognized as assets of the Authority at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to statement of financial performance, unless they are

directly attributable to qualifying assets, in which case they are capitalized in accordance with the Authority's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

- (b) Rentals payable under operating leases are charged as an expense to the statement of financial performance on a straight line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

#### 4.16 Provisions

Provisions are recognized when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Authority expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

#### 4.17 Contingent liabilities

The Authority does not recognize a contingent liability, but discloses details of any contingencies in the notes to the Financial Statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

The Authority does not recognize a contingent liability but discloses details of any contingencies in the notes to the Financial Statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

For the financial year 2021/2022, the Authority have a possible obligation from TRA audit due to the late submission of the statement of estimates and payments of tax. TRA they are still working on the subject matter and a no offence has yet been issued that result in not being able to measure reliably.

#### 4.18 Contingent assets

The Authority does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Authority in the notes to the Financial Statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the Financial Statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the Financial Statements of the period in which the change occurs.

IPSAS 19 provides a choice of presenting expenditures to settle a provision either net of any reimbursement or on a gross basis. The Authority has elected to present the expenses excluding the reimbursements. Reimbursements are accounted for separately. IPSAS 19 also requires provisions to be measured as the best estimate of the present value of the amount required to settle the obligation. In making this estimate the Authority

#### 4.19 Taxes

The Authority is exempt from all taxes except value added tax. Thus no provision is made for tax and deferred taxation.

#### 4.20 Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

Where the value added tax incurred on a purchase of assets or services 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 as part of the expense item as applicable; and Receivables and payables that are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to Tanzania Revenue Authority is included as part of receivables or payables in the statement of financial position.

#### 4.21 Events after reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the Financial Statements are authorised for issue. Two types of events are identified: Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and those which are indicative of conditions that arose after the reporting period (Non adjusting events after the reporting period).

Adjusting events are reflected in the Financial Statements and their details are disclosed in the notes. Non adjusting events are merely disclosed in the Financial Statements. Financial Statements are authorized for issue when they are approved by Accounting Officer.

#### 4.22 Nature and purpose of reserves

The Authority has not created and maintained special purpose reserves to meet specific requirements. Two reserves are being maintained. Revaluation reserve which caters for the increase in value of PPE arising from revaluation exercise which was conducted in

2015/2016 and Accumulated reserve which caters for surplus/(deficits) realized over the years.

#### 4.23 Service concession arrangements

The Authority analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Authority recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole of life' assets, the asset entails that where TAA controls it, through ownership, beneficial entitlement or otherwise like any significant residual interest in the asset at the end of the arrangement. Assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Authority also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Significant judgments and sources of estimation uncertainty The preparation of the Authority's Financial Statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

#### 4.24 Judgments

In the process of applying the Authority's accounting policies, management has made judgments, which have the most significant effect on the amounts recognized in the Financial Statements.

##### 4.24.1 Operating lease commitments - Authority as lessor

The Authority has entered into property leases of certain of its properties. The Authority has determined, based on an evaluation of the terms and conditions of the arrangements, (such as the lease term not constituting a substantial portion of the economic life of the commercial property) that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

##### 4.24.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial



year, are described below. The Authority based its assumptions and estimates on parameters available when the Financial Statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Authority. Such changes are reflected in the assumptions when they occur.

#### 4.24.3 Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Authority
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

#### 4.24.4 Held to maturity investments and loans and receivables

The Authority assesses its loans and receivables (including trade receivables) and its held to maturity investments at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the Authority evaluates the indicators present in the market to determine if those indicators are indicative of impairment in its loans and receivables or held to maturity investments.

Where specific impairments have not been identified the impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period

#### 4.25 Budget information

The annual budget is prepared on cash basis following a major source of revenue (passenger service charge) of the Authority originating from government appropriation process through the Parliament. Explanations are provided for material variations of the original budget and final budget. Financial Statements are prepared on an accrual basis. Statement of comparison of budget and actual are prepared on a comparable basis by

adjusting actual expenditure reflected in Financial Statements which are on accrual basis to cash basis for comparative purposes. Explanation of material variations between budget amount and actual amount is explained in the notes. A separate statement of comparison of budget and actual is prepared.

#### 4.26 Transitional provision

There is no transition provision after the lapse of the five years grace period, therefore the financial statements for the year ended 30th June 2022 complies with the requirements of International Public Sector Accounting Standards as issued by IPSASB.

#### 4.27 Future change in accounting policies

Standards issued but not yet effective up to the date of issuance of the entity's financial statements are listed below. These listings of standards issued are those which the Government is reasonably expecting to have an impact on disclosures, financial position or performance when applied at future date. The government intends to adopt these standards when they become effective.

IPSAS 41-Financial instruments: This standard was effective for annual financial statements covering periods beginning January 1, 2022 with earlier period being encouraged.

IPSAS 42-Social Benefits: The IPSAS was published in the end of January 2019 and the effective date was 1 January 2022.

#### 4.28 Exchange rates

All monetary amounts in the Financial Statements are expressed in Tanzania Shillings, the legal tender show as TZS. The Tanzania Shilling closing rate (The Bank of Tanzania Middle Rate) for major currencies was:

Currency	30th June, 2022	30th June, 2021
United States Dollars (USD)	2,304	2,299
Euro	2,434	3,179

#### 4.29 Financial risk management

The Authority seeks to minimize its exposure to financial risk. The only financial assets that it may purchase are cash, or cash equivalents and bank deposits. The only financial liabilities that it may have (other than supplier liabilities) are bank overdrafts and bank loans.

##### 4.29.1 Currency risk

The Authority manages its bank accounts in Tanzanian shillings, which is the official currency of the Tanzania. The exposure to currency risk is not there. Foreign loans are

extended to the Authority by the Government through on lending agreements which are entered into in Tanzanian Shillings. Revenue which is quoted in foreign currencies is paid in Tanzanian Shillings at exchange rate prevailing on the date of payment or is paid in foreign currency on the date of payment.

#### **4.29.2 Interest rate risk**

Interest rate risk arises from possible impact of changes in the interest rates on the value of financial instruments. The Authority does not have assets and liabilities that are materially dependent on interest rate levels therefore, management believes that the Authority has no exposure to interest rate risk.

#### **4.29.3 Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Authority is exposed to credit risk on its receivables and prepayment accounts. The Authority seeks to reduce the credit risk by setting credit limits for receivables and monitoring existing outstanding receivables' balances. Prepayments are highly discouraged and monitored very closely.

#### **4.29.4 Liquidity risk**

Liquidity risk is the risk of the Authority not being able to meet its obligations as they fall due. The Authority's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Authority's reputation. The Authority ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts.

#### **4.30 Capital Maintenance**

Authority's capital is constituted by the net assets/equity. The Government is the sole owner of the Authority and capital is maintained through sufficient appropriation from Government funding and internal commercial sources which are retained by the Authority. There are no externally imposed capital requirements attached. Funds are provided to achieve the objective of providing effective, efficient and safe airports transport services in Tanzania Mainland.

#### **4.31 Capital Commitments**

Capital commitments constitute those which have been budgeted and approved for but not yet contracted and those which have been contracted and are due for execution or under execution. Details of which are reflected in the notes. Capital commitments are segregated between those relating to TAA and those of subsidiaries, associates and under joint arrangements.

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Details	2022	2021
	TZS	TZS
<b>15 - Fees, fines, penalties and Forfeits</b>		
Advertising Fees	485,390,111.00	192,112,914.00
Parking fees	3,087,710,475.00	1,931,413,404.00
	<b>3,573,100,586.00</b>	<b>2,123,526,318.00</b>
<b>16 - Revenue Grants</b>		
Government Grant Development Local	8,618,152,758.00	2,740,996,347.00
Government Grant Other Charges	11,172,886,799.00	28,129,200,461.00
Government Grant Personal Emolument	10,818,229,120.00	11,342,301,852.00
	<b>30,609,268,677.00</b>	<b>42,212,498,660.00</b>
<b>17 - Revenue from Exchange Transactions</b>		
Receipts from Government Quarters	5,777,904,633.00	20,413,384,461.00
	<b>5,777,904,633.00</b>	<b>20,413,384,461.00</b>
<b>21 - Other Revenue</b>		
Air Craft Landing & Parking Charges	17,381,804,403.00	10,255,603,580.00
Miscellaneous Receipts	15,594,194,714.00	9,316,861,438.00
Receipt from security Fees	7,721,020,520.00	7,099,583,960.00
Recovery of Public Money	2,648,663,339.00	-
Tender Documents	9,865,000.00	-
	<b>43,355,547,976.00</b>	<b>26,672,048,978.00</b>
<b>21A - Other Receipt (Landing and parking)</b>	<b>9,418,308,383.00</b>	-
<b>22 - Wages,Salaries and Employee Benefits</b>		
Acting Allowance	55,066,182.00	24,635,100.00
Casual Labour	30,334,496.00	-
Casual Labourers	140,154,315.00	-
Civil Servants	10,634,054,431.00	11,840,648,852.00
Councillors Allowance	-	185,467,400.00
Court Attire Allowance	4,500,000.00	-
Electricity	245,997,020.00	5,756,201,875.00
Extra-Duty	3,624,204,580.00	2,488,462,520.00
Food and Refreshment	130,270,776.00	-
Furniture	89,000,000.00	-
Honoraria	-	9,000,000.00
Household Appliances	-	8,545,000.00
Housing Allowance	188,099,999.00	190,400,000.00
Internship Allowance	834,221,923.00	-
Leave Travel	974,477,620.00	913,687,982.00
Local Based Staff Salary	858,773,295.00	-
Medical and Dental Refunds	27,604,752.00	78,978,666.00
Moving Expenses	172,631,583.00	579,213,296.00
National Health Insurance Schemes (NHIF)	-	26,335,084.00

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Details	2022	2021
	TZS	TZS
Outfit Allowance	2,595,080.00	6,300,000.00
Public Service Pension Fund (PSPF)	-	291,983,595.00
Responsibility Allowance	27,600,000.00	-
Risk Allowance	226,800,000.00	-
Sewage Charges	26,556,652.00	27,694,777.00
Sitting Allowance	25,150,000.00	65,800,000.00
Special Allowance	1,628,397,817.00	1,321,406,190.00
Subsistence Allowance	222,924,000.00	261,661,767.00
Telephone	249,581,756.00	-
Top up Allowance	7,130,596.00	-
Water and Waste Disposal	17,617,506.00	48,493,253.00
	20,443,744,379.00	24,124,915,357.00
<b>24 - Use of Goods and Service</b>		
Advertising and Publication	11,714,944.00	-
Air Travel Tickets	410,696,175.00	138,510,688.00
Bed and Mattresses	-	1,350,000.00
Bed Sheets and Linen	-	74,615,000.00
Blankets	-	29,100,383.00
Books, Reference and Periodicals	127,908,354.00	33,059,000.00
Catering Services	274,098,636.00	-
Cleaning Supplies	3,801,800.00	208,952,687.00
Communication Network Services	200,000.00	14,855,100.00
Computer Supplies and Accessories	335,819,984.00	212,141,034.00
Conference Facilities	201,183,466.00	170,238,691.00
Consumable Medical Supplies	-	21,198,348.00
Diesel	2,130,213,249.00	1,047,229,905.00
Drugs and Medicines	467,000.00	21,069,744.00
Electricity	5,611,699,657.00	-
Entertainment	26,983,332.00	24,739,000.00
Exhibition, Festivals and Celebrations	72,602,795.00	16,908,600.00
Food and Refreshments	152,217,424.00	539,649,974.00
Fumigation	168,210,507.00	186,118,379.00
Gifts and Prizes	282,403,511.00	63,300,300.00
Ground Transport (Bus, Train, Water)	35,257,718.00	102,907,796.00
Ground travel (bus, railway taxi, etc)	82,006,067.00	106,718,780.00
Health Insurance	807,240.00	-
Hiring of Training Facilities	61,000.00	-
Internet and Email connections	141,860,000.00	178,647,077.00
Lubricants	4,800,539.00	17,604,079.00
Materials Testing Services	5,444,190.00	4,175,200.00
Medical Gases and Chemicals	-	1,350,000.00
Mobile Charges	41,525,298.00	27,478,000.00
Newspapers and Magazines	18,890,540.00	95,139,653.00

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Details	2022	2021
	TZS	TZS
Non-Agriculture Chemicals Supplies and Services	73,852,307.00	-
Office Consumables (papers, pencils, pens and stationaries)	664,918,180.00	120,636,104.00
Other Gas	160,000.00	-
Outsourcing Costs (includes cleaning and security services)	2,876,609,101.00	6,588,614,023.00
Per Diem - Domestic	1,698,082,971.00	858,086,220.00
Per Diem - Foreign	113,886,416.00	-
Petrol	5,951,725.00	27,227,796.00
Posts and Telegraphs	6,749,792.00	20,559,946.00
Printing and Photocopy paper	1,073,750,662.00	-
Printing and Photocopying Costs	289,144,227.00	385,913,760.00
Printing Material	81,942,976.00	-
Production and Printing of Training Materials	10,000,000.00	-
Protective Clothing, footwear and gears	80,365,319.00	96,586,430.00
Publicity	11,558,210.00	34,205,585.00
Remuneration of Instructors	39,479,797.00	35,570,000.00
Satellite access services	565,500.00	-
Sewage Charges	65,219,099.00	-
Small engineering tools and equipment	-	6,745,000.00
Software License Fees	17,781,420.00	23,333,567.00
Subscription Fees	99,777,229.00	24,916,250.00
Telephone Charges (Land Lines)	48,946,592.00	197,981,973.00
Testing Facilities	11,615,000.00	-
Training Allowances	112,533,900.00	199,584,800.00
Training Materials	-	7,494,000.00
Tuition Fees	560,448,262.00	634,299,882.00
Uniforms and Ceremonial Dresses	932,843,688.00	15,548,100.00
Upkeep Allowances	2,057,500.00	-
Upkeep of Grounds and Amenities	1,689,165,194.00	148,227,907.00
Visa Application Fees	709,800.00	-
Water Charges	702,093,260.00	315,607,790.00
Water Transport	-	26,600,250.00
Wire, Wireless, Telephone, Telex Services and Facsimile	96,793,838.00	34,570,079.00
	21,507,875,391.00	13,139,366,880.00
<b>25 - Maintenance Expenses</b>		
Aggregates and Road Surfacing Materials	2,047,190,620.00	587,064,219.00
Air conditioners	103,276,940.00	129,878,426.00
Cement, Bricks and Building Materials	294,490,559.00	280,362,235.00
Computers, printers, scanners, and other computer related equipment	662,978,938.00	-

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Details	2022	2021
	TZS	TZS
Direct labour (contracted or casual hire)	164,751,029.00	923,322,376.00
Electrical and Other Cabling Materials	114,820,780.00	141,018,249.00
Fire Protection Equipment	105,118,790.00	203,405,605.00
Mechanical, electrical, and electronic spare parts	500,174,222.00	54,946,298.00
Medical and Laboratory equipment	-	500,000.00
Metal Fence and Posts	135,399,225.00	-
Motor Vehicles and Water Craft	7,892,334.00	808,111,912.00
Navigation Equipment (flight calibrations, signalling and beacons)	-	3,486,000.00
Oil and Grease	8,755,950.00	26,371,170.00
Oil, grease, and other chemical materials	118,246,152.00	100,637,016.00
Outsource	39,264,677.00	-
Outsource maintenance contract services	7,166,218,690.00	11,342,897,011.00
Paint	141,472,545.00	-
Paint and Weather Protection Coatings	9,020,280.00	33,269,200.00
Photocopiers	955,000.00	-
Pipes and Fittings	34,027,860.00	40,559,850.00
Plumbing Supplies and Fixtures	84,168,955.00	169,252,411.00
Repair and Maintenance of Sewerage System	1,336,000.00	-
Roofing Materials	21,932,083.00	39,014,478.00
Small Car Mechanics Tools	3,337,500.00	-
Small tools and equipment	44,966,521.00	57,104,609.00
Small tools and implements	64,306,004.00	30,071,940.00
Spare Parts	92,338,497.00	45,428,529.00
Telephone Equipment (mobile)	2,575,000.00	-
Tyres and Batteries	210,654,866.00	111,280,446.00
Water Pumps	70,637,742.00	68,024,568.00
Wood and Timber Supplies	28,863,244.00	19,979,600.00
X-Ray Equipment	73,350,250.00	98,062,413.00
	12,352,521,253.00	15,314,048,561.00
<b>26 - Grants, Subsidies and other Transfer Payments</b>		
Revenue Transfer	7,324,936,015.00	4,130,689,930.00
	7,324,936,015.00	4,130,689,930.00
<b>27 - Interest Expenses</b>		
Interest on Domestic loans	7,643,051,321.00	-
Loss on Foreign Currency Translation	118,582,905.00	-
	7,761,634,226.00	-
<b>28 - Other Expenses</b>		
agency fees	120,000.00	-
audit fees	95,439,200.00	23,660,000.00
Bank Charges and Commissions	6,000,000.00	99,678,615.00

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Details	2022	2021
	TZS	TZS
Burial Expenses	63,777,100.00	37,570,000.00
City levy Expenses	2,040,000.00	-
consultancy fees	1,143,436,863.00	40,516,321.00
Registration Fees	101,530,352.00	4,563,746,083.00
Royalty Expenses	1,540,000.00	-
Special Operation Services	49,343,929.00	-
Sundry Expenses	101,035,310.00	232,754,388.00
	1,564,262,754.00	4,997,925,407.00
<b>32 - Cash and Cash Equivalents</b>		
BoT Ownsource Collection Account	4,773,602,831.00	6,962,131,742.00
Deposit Account USD	1,113,776,820.00	-
Deposit General Cash Account	209,089,857.00	-
Development Expenditure Cash Account	944,940,970.00	-
Ownsource Collection Account - CRDB	3,818,971,174.00	3,992,553,011.00
Ownsource Collection Account - NMB	452,053,117.00	546,140,961.00
Ownsource Collection Account CRDB - USD	25,216,184.00	38,252,341.00
Ownsource Collection Account NMB - USD	1,552,319,066.00	4,401,233.00
Ownsource Development Expenditure	5,414,493,528.00	-
Ownsource Recurrent Expenditure GF	5,606,474,432.00	4,283,820,358.00
Recurrent Expenditure Cash Account	2,404,075,366.00	-
Unapplied Cash Account	2,191,275,080.00	-
USD BOT Collection Account	7,493,247,323.00	7,681,079,300.00
USD Recurrent Expenditure	228,750.00	228,750.00
	35,999,764,499.00	23,508,607,696.00
<b>33 - Receivables</b>		
Restated		
Advance Tax Withholding (WHT)	661,079,801.00	661,079,801.00
Imprest Receivable	430,543,135.00	-
Staff advances and imprest	6,120,000.00	61,120,000.00
Trade Receivables	31,263,046,832.00	38,118,471,400.00
	32,360,789,768.00	38,840,671,201.00
<b>33P - Prepayments</b>		
Advance for Utility	-	-
Advance for Work in Progress	87,171,205.00	43,752,918.00
Advance Supplies of goods and services	3,505,400.00	-
Prepayment	91,885,766.00	-
Prepayment - Asset	164,540,082.00	937,877,635.00
Prepayment-Asset	2,008,285,353.00	-
	2,355,387,806.00	981,630,553.00
<b>34 - Inventories</b>		
Building	-	-
Consumables	40,686,225.00	185,500,542.00
Fuel	21,611,875.00	-
IT and Computer Accessories	-	-



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Details	2022	2021
	TZS	TZS
Spareparts and tyres	281,596,177.00	295,800,987.00
	343,894,277.00	481,301,529.00
<b>39 - Payables and Accruals</b>		
Advance for Work in Progress	36,414,800.00	-
Advance Utility	83,848,928.00	-
Loan Payable	56,044,505,519.00	55,925,922,614.00
Misc Deduction	1,523,695.00	-
Staff Claim	42,812,330.00	138,410,308.00
Suppliers Debts	-	-
Supplies of goods and services	648,026,517.00	5,489,475,120.00
VAT Payable	3,328,764,200.00	5,691,899,657.00
Withholding tax	170,390,369.00	-
	60,356,286,358.00	67,245,707,699.00
<b>46 - Deferred Income (Revenue)</b>		
Recurrent Deferred income	3,868,045,013.00	-
<b>46B - Deferred Income (Capital)</b>		
Development Deferred Income	3,953,133,443.00	-
<b>47 - Deposits</b>		
Deposit General	1,322,866,678.00	-
Retention	94,995,982.00	-
Unapplied Deposit Account	2,191,275,080.00	-
	3,609,137,740.00	-
<b>51 - Work in Progress (WIP)</b>		
Balance at the beginning of the year	29,527,879,487.00	21,618,110,672.00
Add: Addition during the Year	6,577,101,973.00	8,307,858,400.00
Less: WIP Transferd to PPE	16,817,710,195.00	398,089,585.00
Total Work in Progress	19,287,271,265.00	29,527,879,487.00
<b>51A - Depreciation of Property, Plant and Equipment</b>		
Airports - Runway, Taxway and Apron	3,221,376,949.00	-
Depreciation - Motor Vehicles	491,362,383.00	-
Depreciation - Plant, Machinery and Equipment	17,192,692,094.00	20,787,985,002.00
Depreciation Chain link and Block Wall	310,605,240.00	176,917,499.00
Depreciation Hardware servers and equipment (incl. desktops, Laptops, UPS, etc)	-	13,254,914,875.00
Depreciation Motor Vehicles (Administrative)	-	628,143,828.00
Depreciation Office buildings and structures	7,891,381,670.00	3,234,029,629.00
Depreciation Office Furniture and Fittings	127,749,580.00	124,546,541.00

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Details	2022	2021
	TZS	TZS
Depreciation Rescue and fire fighting vehicle	-	1,016,557,672.00
Fire Fighting Equipment	893,449,016.00	-
Hardware: servers and equipment (incl. desktops, laptops, UPS etc.)	13,157,813,835.00	-
Other Office equipment	420,427,147.00	156,872,867.00
Roads	-	7,947,424,747.00
	43,706,857,914.00	47,327,392,660.00
<b>52 - Intangible Assets</b>		
Accumm. Amortization Computer Software	(670,185,415.00)	(670,185,415.00)
Computer Software	670,185,415.00	670,185,415.00
<b>52A - Amortization of Intangible Assets</b>		
Other Intangible Assets	-	163,687,644.00
	-	163,687,644.00

Asset Class	Cost			Accumulated Depreciation and Impairment			Carrying Value at 30 June, 2022	
	At 01 July, 2021	Additions (monetary)	Additions (non-monetary)	At 30 June, 2022	Acc. Depreciation & Impairment at 01 July, 2022	Charge during the year - Depreciation		Total Acc. Depreciation & Impairment at 30 June, 2022
Leasehold Land	6,450,802,877,148	-	-	6,450,802,877,148	-	-	-	6,450,802,877,148
Buildings	159,163,404,569	-	5,433,508,003	164,596,912,572	7,559,774,171.23	3,221,376,949	10,781,151,120	153,815,761,451
Running Ways	418,747,031,527	-	5,861,662,881	424,608,694,408	45,218,068,440.21	7,891,381,669	53,109,450,109	371,499,244,298
Motor Vehicles	4,744,892,218	619,475,264	11,000,000	5,375,367,482	2,940,805,699.77	491,362,384	3,432,168,084	1,943,199,398
Rescue and Fire Fighting Vehicles and Equipment	12,593,221,759	32,505,264	-	12,625,727,023	4,985,223,030.24	893,449,016	5,878,672,046	6,747,054,977
Plant & Machinery	343,151,622,023	10,690,377,902	1,185,447,616	355,027,447,542	52,814,336,526.76	17,192,692,094	70,007,028,621	285,020,418,921
Furniture & Fittings	5,724,966,730	374,824,660	-	6,099,791,390	5,262,516,044.47	127,749,580	5,390,265,625	709,525,766
Office Equipment	3,346,690,000	721,241,305	1,318,768,896	5,386,700,201	2,877,501,633.82	420,427,147	3,297,928,781	2,088,771,420
Computers Equipment	71,464,125,902	115,990,116	-	71,580,116,018	31,870,962,619.80	13,157,813,835	45,028,776,455	26,551,339,563
Chain Links	4,576,381,106	-	3,018,322,799	7,594,703,905	2,445,343,583.47	310,605,239	2,755,948,823	4,838,755,082
TOTAL	7,474,315,212,982	12,554,414,511	16,828,710,195	7,503,698,337,687	155,974,531,749.78	43,706,857,914	199,681,389,664	7,304,016,948,023

Controller and Auditor General

AR/CG/ITAA /2021/22

Asset Class	At 01 July, 2020	Additions (monetary)	Additions (non-monetary)	At 30 June, 2021	Acc. Depreciation & Impairment at 01 July, 2020	Charge during the year - Depreciation	Total Acc. Depreciation & Impairment at 30 June, 2021	Carrying Value at 30 June, 2021
Leasehold Land	6,450,802,877,148	-	-	6,450,802,877,148	-	-	-	6,450,802,877,148
Buildings	158,765,314,982	-	398,089,587	159,163,404,569	4,325,744,541.20	3,234,029,629	7,559,774,171	151,603,630,398
Running Ways	418,747,031,527	-	-	418,747,031,527	37,270,643,693.69	7,947,424,747	45,218,068,440	373,528,963,086
Motor Vehicles	4,744,892,218	-	-	4,744,892,218	2,312,661,872.27	628,143,828	2,940,805,700	1,804,086,518
Rescue and Fire Fighting V vehicles	10,250,315,000	-	2,342,906,759	12,593,221,759	3,968,665,358.26	1,016,557,672	4,985,223,030	7,607,998,728
Plant & Machinery	343,151,622,023	-	-	343,151,622,023	32,026,351,524.38	20,787,985,002	52,814,336,527	290,337,285,497
Furniture & Fittings	5,685,034,720	39,932,010	-	5,724,966,730	5,137,969,503.92	124,546,541	5,262,516,044	462,450,686
Office Equipment	3,346,690,000	-	-	3,346,690,000	2,720,628,767.12	156,872,867	2,877,501,634	469,188,366
Computers	71,022,223,040	441,902,863	-	71,464,125,902	18,616,102,039.85	13,254,914,875	31,871,016,915	39,593,108,988
Chain Links	4,576,381,106	-	-	4,576,381,106	2,268,426,084.22	176,917,499	2,445,343,583	2,131,037,523
<b>Total</b>	<b>7,471,092,381,764</b>	<b>481,834,873</b>	<b>2,740,996,346</b>	<b>7,474,315,212,982</b>	<b>108,647,193,385.91</b>	<b>47,327,392,659</b>	<b>155,974,586,045</b>	<b>7,318,340,626,937</b>

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**Note: 54**

<b>RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT) FOR THE PERIOD ENDED 30 JUNE 2022</b>		
	<b>2022</b>	<b>2021</b>
	<b>TZS</b>	<b>TZS</b>
Surplus/ Deficit for the Period	- 21,857,506,428.00	- 17,776,568,024.32
Add/ (Less) Non Cash Item		
Amortization of Intangible Assets	-	163,687,644.00
Depreciation of Property, Plant and Equipment	43,706,857,914.00	47,327,392,660.00
Add/ (Less) Change in Working Capital		
Deferred Income (Capital)	3,953,133,443.00	-
Deferred Income (Revenue)	3,868,045,013.00	-
Inventories	137,357,251.00	174,826,049.00
Payables and Accruals	-4,526,285,884.00	- 485,510,301.00
Prepayments	- 138,809,453.00	- 15,850,636.00
Receivables	6,479,881,434.00	- 6,703,430,599.68
Net Cash Flow from Operating Activities	31,622,673,290.00	22,684,546,792.00

<b>Note 55: Related party Transaction Key Management Remuneration</b>		
Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the Authority directly or indirectly. TAA Key management personnel comprising of Director General, Directors of Departments and Head of units. Key management personnel and the compensation paid or payable to key management for employee services is as follows:		
Management	<b>2021/2022</b>	<b>2020/2021</b>
Salaries	477,420,000	420,125,200
Allowances and other short-term benefits	212,790,500	154,270,300
Total	690,210,500	574,395,500
Ministerial Advisory Board Members -MAB	<b>2021/2022</b>	<b>2020/2021</b>
Sitting Allowances	71,400,000	61,308,900
<b>Note 56: TAA as a Lessor</b>		
TAA has entered into several non-cancellable operating lease agreements as varying duration for the use of Airports facilities. The details are as follows;		
Within one year		4,739,069,000.00
More than one year but less than 5 years		24,880,112,000.00
Beyond five years		25,467,895,279.98
Total		55,087,076,279.98
<b>Note 57: TAA as a Lessee</b>		
The Authority has not rented any facility as a lessee.		
<b>Note 58: Contingent Liabilities</b>		
TAA had eight (8) cases before the court being sued by third parties. The total amount of the claim 2.580 billion for 2021/2022 and 2020/2021 amounts to TZS 1.334 billion		

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**Note 59: Contingent assets**

TAA filed one case before the High Court claiming from a Judgement Debtor for payment of the decree sum. The total amount of the claim for the 2021/2022 amounts to 700,405,721.69 billion

Name	Amount
United Tanzania Aeronautical College	700,405,721.69
<b>TOTAL</b>	<b>700,405,721.69</b>

**Note 60: Concession arrangements**

The Authority has entered into the following service concession agreements for the construction and operation of the facilities and at the end of the contractual period the assets will revert back to the Authority.

Operator	Details	Duration of Operation(Years)
Air Freight Services Ltd	Construction of Cargo Warehouse at JNIA	14
Swissport Tanzania Ltd	Construction of Cargo Warehouse at JNIA	15
Precision Air Services Ltd	Construction of Aircraft maintenance hangar at JNIA	15
Everett Aviation Ltd	Helicopter maintenance hangar at JNIA Airport	15
Prime Regional Supplies Limited	Construction of Aviation Fuel Facilities Lake Manyara Airport	10
Auric Air	Construction of Office building at Arusha Airport	3
Air Excel	Construction of Office building at Arusha Airport	7

**Note 61: Events after the reporting date**

The Authority has no an event to report after Balance sheet date.

**Note 62: Number of employees**

During the year 2021/2022 the number of permanent staff was 726 (2019/2020 was 745)

**Note 63: Capital Commitments**

Capital commitments represent the amount of commitments which have been contracted and ongoing projects.

S/N	ACTIVITY/PROJECT NAME 2021/2022	OUTSTANDING/ REMAINING VALUE AS OF 30 JUNE, 2022
1	Rehabilitation of Terminal building at Arusha Airport	2,411,559,348.91
2	Improvement of Remote Apron and Parallel Taxiway at Arusha Airport	235,525,076.26
3	Construction of Main Apron and Taxiway (A, B & D) at Arusha airport	1,131,060,000.00
4	Construction of Security Fence at Mwanza and Dodoma airports	1,775,713,582.13
5	Maintenance of Runway at Kilwa Masoko Airport	172,850,000.00
6	Installation of Surveillance System at JNIA RWY 05.	710,790,559.23
7	To install Car Parking System Dodoma and Mwanza Airport	1,692,796,008.07
8	To install, test and commissioning of Airport Information Management System (AMIS) - CUTE	723,837,322.15

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S/N	ACTIVITY/PROJECT NAME 2021/2022	OUTSTANDING/ REMAINING VALUE AS OF 30 JUNE, 2022
	systems at Mwanza, Arusha, Songwe, Bukoba and Dodoma Airports	
9	Improvement, Service and Maintenance of Car Parking Systems at JNIA TBI, TBII & Cargo.	189,579,862.00
10	To service and manage Airport Information Management System (AMIS) - CUTE systems at JNIA TBI & TBII	1,379,530,800.00
TOTAL		10,423,242,558.75

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**SERVICE PERFORMANCE INFORMATION FOR THE FINANCIAL YEAR  
 ENDED 30 JUNE 2022**

Task	Budget (Mil TZS)	% of Completion	Amount Spent (Mil TZS)	Remarks/Task execution/Reasons for Shortfall and the way forward
Construction of Security Fence at Mwanza, and Dodoma Airports	2,200.00	50	1,245.94	The Monitoring of DLP for the condition and performance of the Security Fence at Mwanza is ongoing; Security Fence for JNIA and Dodoma Airport procurement completed and the project has been handed over to the Contractor; The Advance Payment Certificate prepared, certified, approved and paid to the Contractor; The work for Dodoma Airport completed by 10%
ICT equipment and systems at JNIA TB III serviced and maintained.	4,341,	100	4,340	During the reporting period, the following activities were done; Preventive Maintenance of BMS, VDGS and Fire alarm system Maintenance of Airport Management and Information System (AMIS) Maintenance of CCTV and Access Control Maintenance of Car parking system, E-gates, IPTV and Master Clock Maintenance of X-Ray machines
CCTV system at JNIA maintained and upgraded	122.02	100	122.02	Preventive maintenance has been done to 246 cameras located at TB2, TB1 & VIP 2
Security equipment & facilities at JNIA maintained and improved	43.79	100	243.79	Service and Maintenance of Security Equipment were conducted.
Security manuals, training, and contingency programs reviewed	28.3	100	28.3	Security documents were reviewed and ratified as planned
Integration Management System (IMS) implemented and training provided to JNIA staff	5.7	100	5.7	Departmental champions have monitored implementations of IMS and streamlined procedures at departmental levels
AVSEC training Program developed and maintained	230	100	230	Identification of screeners whose licenses have expired done The coordination was done with CATC Approval sought to train and recertify 56 screeners. 66 Security personnel trainee on aviation security



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Task	Budget (Mil TZS)	% of Completion	Amount Spent (Mil TZS)	Remarks/Task execution/Reasons for Shortfall and the way forward
				Certification of 61 aviation security screeners from regional airports
Purchase of fire protective and rescue equipment at JNIA	200	100	200	Procurement completed LPO has been issued to M/s Firex Solution (T) Limited and Industrial Safety at a price of 172.2Mill. 2. Procurement has been completed and LPO issued to M/S Caveha and Baltechnics Limited at a price of TZS 45,47mill
Airport Information Management System (AMIS) - CUTE systems at JNIA TBI & TBII serviced and managed	2,088.86	89.64	1,278.32	IPC No.18,19, 20 and 21 prepared, certified, approved and waiting for payment process Making follow up on IPC No.18,19, 20 and 21 at PMU and Finance Department to proceed with the payment process Monitoring Service and maintain of Airport Information Management System (AMIS) - CUTE systems at JNIA TBI & TBII is on going IPC No. 12, 13, 14, and 15 approved and paid to the Contractor. IPC No. 16 and 17 prepared and waiting for certification and approval
Aerodrome Licenses for Tanga, Songwe, Kasulu, Geita, Mwanza, Msalato and Kahama reviewed	21.7	100	21.7	Licence reviewed for Bukoba, Dodoma, Ukerewe, Mwanza, Songwe, Arusha, Kahama, Geita, Ukerewe, Tanga Kasulu and Kibando
Environmental Management system and Occupational health and safety system implemented	60.39	100	50	Environmental Management System and Occupational Health and Safety at which airports are monitored. Moreover, to build the capacity of Airport staff on the Occupational Health and Safety; first aid training for sixty-two (62) staff from 23 airports was conducted on 18th - 20th May 2022 by OSHA
Expansion of Check-in Area at Dodoma Airport	510.08	100	489.25	Works completed by 100%;
Regional Airports maintenance programs for security equipment developed and implemented	160	50	86	Payment of contractor for the service of the x-ray machines. Procurement is at the final stage for Shinyanga and Lake Manyara spare parts

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Task	Budget (Mil TZS)	% of Completion	Amount Spent (Mil TZS)	Remarks/Task execution/Reasons for Shortfall and the way forward
Car parking services at JNIA improved by June 2022	230,2	100.0	230.2	Preventive maintenance of the car parking system was performed as planned
Construction of Main Apron at Arusha airport (Construction of Main Apron and Taxiway A, B and D) by June, 2022	1966.80	98	835.74	To works executed by 98% The Advance Payment Certificate and IPC No.02 prepared, certified, approved, and paid to the Contractor; The IPC No. 3 under payment processes;
Car Parking Area Phase III at Arusha Airport upgraded	756.00	100	737	Works completed 100%
To review and implement Airports Land management by June, 2022	22.14		12.386	Managing the distribution of Msongola Plots Disclosure and Valuation of land has been performed