



**THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE**



**TANZANIA AIRPORTS AUTHORITY
(TAA)**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL
ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025**

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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.

NAOT Vision, Mission & Motto



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



Independence and Objectivity: We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.



Professional competence: We deliver high quality audit services based on appropriate professional knowledge, skills, and best practices.



Integrity: We observe and maintain high ethical standards and rules of law in the delivery of audit services.



Creativity and Innovation: We encourage, create and innovate value-adding ideas for the improvement of audit services.



Results-Oriented: We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



Team Work Spirit: We value and work together with internal and external stakeholders.

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Abbreviations

CAG	Controller and Auditor General
CIP	Commercially Important Person
DG	Director General
GoT	Government of Tanzania
IASB	International Accounting Standards Board
ICSL	Inflight Catering Services Limited
ICT	Information and Communication Technology
IESBA	International Ethics Standards Board for Accountants
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISSAI	International Standards of Supreme Audit Institutions
JNIA	Julius Nyerere International Airport
NBAA	National Board of Accountants and Auditors
SGR	Standard Gauge Railway
TAA	Tanzania Airports Authority
TCWG	Those Charged With Governance
TFRS	Tanzania Financial Reporting Standards
TZS	Tanzanian Shilling
USD	United States Dollar
VIP	Very Important Person



1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Board Chairman,
Tanzania Airports Authority,
P.O. Box 180000,
DAR ES SALAAM, TANZANIA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Airport Authority, which comprise the statement of financial position as at 30 June 2025, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year 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 the financial position of the Tanzania Airport Authority as at 30 June 2025, 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, as issued by the International Public Sector Accounting Standards Board (IPSASB) and in the manner required by the Public Finance Act, Cap. 348/the Local Government Finances Act, Cap. 290.

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 the Tanzania Airport 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 Statement of the Chairman of the Board of Directors, Statement of Director General, Statement of those Charged with Governance, and Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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 on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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, as issued by the International Accounting Standards Board (IASB)) 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 scepticism 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.

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 conducted a compliance audit of the procurement of works, goods and services at Tanzania Airport Authority for the year ended 30 June 2025 as per the Public Procurement Act ,2023 the Public Procurement Regulations, 2024, and related directives. I examined each phase of the procurement life cycle, including advertising of tenders, evaluation of bids, award of contracts and contract management, to confirm that the entity issued competitive solicitations, applied approved evaluation criteria, secured authorizations before award and maintained complete transaction records.

Conclusion

Based on the audit procedures performed, I conclude that, except for the matters described below, Tanzania Airport Authority generally complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

(i) Unimplemented contract led to payable TZS 1 billion

I noted that on 31 December 2021, the TAA signed a contract No. AE-027/2021-2022/HQ/NC/NC/03 LOT 20 with Dough Works Limited to provide catering services at the VIP Lounge from 1 January 2022 to 31 December 2024. Under the original terms, TAA collected all lounge revenues and paid the contractor USD 8.44 per passenger.

On 16 May 2023, TAA met with the contractor to discuss a proposed rate adjustment, and on 24 June 2023, Addendum No. 1 was signed, increasing the rate to USD 47.20 per passenger (an increase of USD 38.76, equivalent to 459%).



Later, on 5 March 2024, the contractor issued Claim Certificate No. 25 to TAA claiming TZS 1,053,522,875 for services rendered between 1 July 2023 and 31 December 2023 under the revised rate of USD 47.20 per passenger. As of the audit's conclusion, TAA had not made any payment toward this claim disputing the new rate, and they are in amicable negotiations.

(ii) Delayed advance payment to contractors results in unimplemented contracts ranging from five to 16 months after signing

Reg. 240(1) of the Public Procurement Regulations 2024 requires the procuring entity to enter into a formal contract for the supply of goods, provision of services or undertaking of works within fourteen working days after fulfilling all conditions prior to the signing of the contract within 14 days, where the accounting officer accepts a tender.

During the audit, it was found that four construction and consultancy contracts, totalling TZS 250,622,461,758, faced delays of 5 to 16 months. These delays were primarily due to the failure to disburse advance payments of TZS 36,567,201,709, which prevented timely project commencement. These delays could result in higher costs due to price fluctuations in materials and potential claims from contractors.

(iii) Operating inflight catering facility without a valid agreement for more than 15 years-JNIA

Sec. 38(1)(j) of the Public Procurement Act 2023 stipulates that best practices in relation to procurement and disposal are strictly adhered to.

My audit noted that in 1995, the Ministry of Transport signed a 15-year lease agreement with Inflight Catering Services Limited (ICSL) for land at Julius Nyerere International Airport (JNIA) to build an inflight catering facility. The lease specified an annual rent of USD 50,000 and a 3% concession fee based on ICSL's turnover. The agreement required that the land be returned to the Ministry upon expiration. In 2005, the Tanzania Airports Authority (TAA) revised the lease terms, reducing the rent to USD 45,000 and the concession fee to 2%. However, no formal revision of the Memorandum of Agreement was signed, although the revised terms served as the basis for lease payments. The original agreement expired in 2010, but ICSL continued operating the facility without a renewed lease. In August 2024, the Ministry of Transport instructed ICSL to hand over the land and facility to TAA and discuss new lease terms. A meeting was scheduled for 3 September 2024, to draft a new lease by 11 September 2024. By October 2025, TAA had not renewed the lease, and the facility was not listed in its Fixed Asset Register, indicating the property had not been transferred. As of the audit, ICSL had operated the facility without a formal agreement for over 15 years. This unauthorised use of public property resulted in potential revenue losses from both lease payments and concession fees.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I conducted a compliance audit of budget formulation and execution at Tanzania Airport Authority for the year ended 30 June 2025 as per the Budget Act, Cap. 439 and the Budget Guidelines issued by the Ministry of Finance. I reviewed budget submissions, approval memoranda, commitment registers, ledger entries and variance analyses to confirm that the entity prepared estimates in the prescribed format, obtained timely authorizations before incurring obligations, recorded transactions accurately and reported variances as required.

Conclusion

Based on the audit procedures performed, I conclude that, except for the matter described below, Tanzania Airport Authority generally complies, in all material respects, with the requirements of the Budget Act and related Budget Guidelines.

(i) Under release of funds from the Ministry of Transport TZS 32.3 billion

Section 44 of the Budget Act No. 11 of 2015, requires the accounting officer to issue the annual cash flow plan based on work plans, procurement plans and recruitment plans as approved by the National Assembly in which the issued annual cash flow plan shall be the basis for the release of funds by the accountant-General to an Accounting officer. Further, the accounting officer shall commit the budget in accordance with the annual cash flow plan as issued.

I noted that TAA had a total approved budget of TZS 208,122,440,486, out of which TZS 112,252,650,000 was expected from the Ministry of Transport for development projects, other expenses, and personnel costs, while TZS 85,869,790,486 was projected to come from internal sources. However, the actual funding from the Ministry of Transport was only TZS 79,966,769,951 which was less than the planned amount by TZS 32,285,880,049. This shortfall in funding resulted in the underperformance of activities TAA had planned for the 2024/25 financial year.

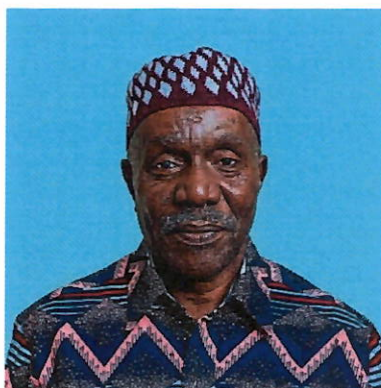


Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2026



THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2.0 FINANCIAL STATEMENTS



Statement of the Chairperson of the Board of Directors

On behalf of the Board of Directors of the Tanzania Airports Authority (TAA), I am honoured to present the TAA's audited financial statements for the year ended 30 June 2025.

TAA's mandate is clearly defined under Sections 5 and 6 of the Tanzania Airports Act No.08 of 2024, which entrusts it with the management, operation and development of Government owned airports in Mainland Tanzania. The Board of Directors, constituted under the Tanzania Airports Act, has diligently exercised its oversight role during the year under review. Our focus has been on ensuring full compliance with national and international standards, rules and regulations thereby enabling TAA to effectively discharge its mandate without disruption other airports' services. Notably, the Board managed to facilitate the implementation of the new Organisation Structure and Scheme of Service, and these were big achievements considering that the Board was appointed in April 2025.

In fulfilling its oversight obligations, the Board ensured that the 2024/25 Annual Plan remained aligned with the TAA's Strategic Plan and Vision. The TAA's key strategic objectives during the year encompassed: Objective A: HIV/AIDS infections and non-communicable diseases reduced, and supportive services improved; Objective B: Implementation of National anti-corruption strategy enhanced and sustained; Objective C: Airport operations efficiency enhanced; Objective D: Airports Development and Maintenance Improved; Objective E: Airport Business Development Improved; and Objective F: Capacity of TAA to deliver its mandate functions enhanced.

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Financially, TAA realized revenues of TZS 163.97 billion against a budgeted TZS 208.122 billion, representing a shortfall of TZS 43.66 billion. Expenditures stood at TZS 154.18 billion, equivalent to 74% of the approved budget. Despite revenue challenges, the TAA's overall financial performance underscores our commitment to advancing the TAA's strategic priorities and maintaining operational effectiveness.

The aviation sector continues to present both challenges and opportunities. These dynamics have compelled us to continuously reassess and refine our strategies to ensure resilience, service excellence, and sustainable growth of the air transport sub-sector. With the continued support of the Government and the general public, we are confident that TAA will achieve even greater progress in the years ahead.

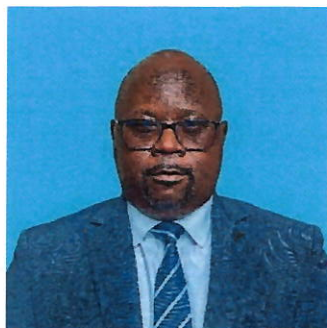
I extend my sincere appreciation to the Board Members, management and all employees of the Tanzania Airports Authority for their steadfast dedication. Their collective commitment is instrumental in fulfilling our mandate and driving forward the vision of a stronger and a more resilient aviation sector in Tanzania.

Thank you very much.



Mr. Juma Hassan Fimbo
Board Chairman

THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025



Director General's Statement

The Tanzania Airports Authority (TAA) is pleased to present its financial statements for the financial year ended 30 June 2025.

This report highlights our performance, achievements and challenges during the year under review. TAA remained focused on its mandate of managing, operating, and developing airports in Tanzania, while ensuring efficiency, safety, and service excellence in line with both national and international standards.

Key Achievements

- **Technology, innovation and ICT Security:** Unifying infrastructures and operations, integrating our enterprise application system, fostering an airport innovation ecosystem, enhancing customer experience and fortifying cybersecurity.
- **Safety and Security Enhancements:** TAA continued to improve and upgrade airports operations, safety and security systems in line with national and international requirements. In increasing efficiency, TAA has increased the number of Airports that operate on 24 24-hour basis. These measures contributed to safer and more reliable airport operations across the country.
- **Infrastructure Development:** TAA continued to develop and manage infrastructure/development projects in various airports operated and managed by the government

Financial Performance

Despite operational challenges, TAA recorded revenue collections amounting to TZS 84.01 billion, which are derived from its own source and TZS 79.97 billion from the GoT fund.

This performance demonstrates prudent financial management amidst a challenging business environment.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Challenges

- Inadequate staffing levels in key technical areas;
- Low compliance levels among some stakeholders.
- Encroachment, trespassing and Environmental pollution at the airports and huge Compensation requirements.
- Management and Operations of Nonperforming Airports.
- Rapid aviation technological change
- Competition from other modes of transport such as SGR

To address these, TAA implemented mitigation measures, including capacity building, process automation, and close stakeholder engagement, which facilitated the effective execution of our mandate.

In conclusion, I wish to extend my sincere gratitude to the Government of the United Republic of Tanzania and the Board of Directors for their continued guidance and support. I also acknowledge the dedication and commitment of Management and all Employees of TAA, whose collective efforts enabled TAA to achieve commendable results in the face of significant challenges.

With this solid foundation, TAA is confident of continued growth, improved service delivery, and greater contribution to Tanzania's economic development.



Abdul A. Mombokaleo
Director General
TANZANIA AIRPORTS AUTHORITY

THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

STATEMENT OF THOSE CHARGED WITH GOVERNANCE

1. INTRODUCTION

Those Charged with Governance (TCWG) present these Financial Statements for the year ended 30 June 2025, which provide the results of Tanzania Airports Authority (TAA) operations and its state of affairs. The report has been prepared in full compliance with IPSAS accrual basis as issued by IPSASB, and local standards (e.g., TFRS 1) have been applied only to the governance report, without overriding IPSAS.

The report is addressed to primary users and other stakeholders by setting out an analysis of TAA operations and a financial review, with a forward-looking orientation.

The report will assist primary users and other stakeholders in assessing the strategies adopted by TAA and the potential for those strategies to succeed towards creating value over the short-term, medium-term and long-term periods.

2. VISION, MISSION, MOTTO, AND CORE VALUES

Vision Statement

To be a world class airport operator in the provision of airport facilities and services'

Mission Statement

To provide high quality facilities and services in a cost-effective manner.

Motto

Your gateway to global horizons.

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.

(i) Integrity

We are honest and trustworthy in performing our responsibility as we endeavour to practice the highest standards of ethical behaviour.

(ii) Teamwork

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

THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

(iii) Transformational Leadership

Our 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 TAA's vision.

(iv) Employees Development

Employees are our number one asset. We are committed to their growth, development and shall endeavour to support them with the necessary skills, training and confidence which they need to reach their highest potentials.

(v) Customer Focus

We are committed to our customers by striving to meet their unique needs.

(vi) Safety and Security

We live our safety and security philosophy by striving for zero safety and security incidents.

3. NATURE OF THE OPERATION

a) The industry in which the entity operates

TAA operates within the aviation industry in Tanzania. As an Authority established under the Tanzania Airports Act No. 8 of 2024, TAA is responsible for establishing, developing, managing, operating, and maintaining 61 Government-owned airports in mainland Tanzania. In accordance with its establishing Act, TAA plays a critical role in ensuring safe, efficient, and reliable air transportation services for both domestic and international flights. TAA oversees a network of Airports, including major international Airports, regional Airports, and smaller airstrips, catering to various airlines and aviation operators. Their core functions encompass airport infrastructure development, air traffic movement, passenger facilitation, cargo handling, aviation security, and airport maintenance. By promoting a robust aviation sector, TAA contributes to the growth of tourism, trade, and overall economic development in Tanzania, fostering connectivity and accessibility for travellers and businesses alike.

b) Main products and services, customers, business processes and distribution methods

• Main products and Services

TAA provides a range of products and services related to Airports management and aviation. Some of their main offerings include:

- (i) **Airport Infrastructure:** TAA is responsible for the establishment, development, management, operating, maintenance, and upgrading of airport infrastructure, such as runways, taxiways, aprons, terminals, cargo facilities, and parking areas;

THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

- (ii) **Passenger Services:** TAA focuses on passenger facilitation, providing services such as check-in counters, baggage handling, and passenger information.
- (iii) **Cargo Handling:** TAA facilitates cargo handling and logistics services for the movement of goods through airports, supporting trade and commerce;
- (iv) **Aviation safety and Security:** TAA plays a crucial role in ensuring aviation safety and security, implementing measures to protect airports and aircraft from potential threats.
- (v) **Consultancy Services:** TAA provide consultancy services on airport development and management within Tanzania or abroad
- (vi) **Technical advice to the Government and general public:** TAA provides advise on national and international aspects of airport establishment, development, management, operation and maintenance;

• Customers

The primary customers of the Tanzania Airports Authority includes:

- (i) **Airlines:** Both domestic and international airlines are key customers of TAA, as they utilize airport facilities for landing, take-off, and passenger handling;
- (ii) **Passengers:** TAA serves passengers travelling through Tanzania mainland airports, providing a safe, convenient, and comfortable travel experience;
- (iii) **Ground Handlers:** Companies engaged in the handling of passengers and cargo;
- (iv) **General Aviation:** Private and charter operators use infrastructure built by TAA;
- (v) **Retail business owners:** TAA accommodates a number of businesses in its terminals that include: Duty free shops, restaurants, bureau de change, banks, VIP and CIP services; and
- (vi) **Fuel Companies:** Within Airports operated by TAA, fuel companies provide fuel services to Airlines and other Aircraft operators.

• Business Processes:

TAA's business processes encompass a wide range of activities related to airport management, administration, and development. The key business processes include:

- (i) **Airport Planning and Development:** Identifying infrastructure needs, formulating expansion plans, and executing airport development projects;
- (ii) **Passenger and Cargo Handling:** Facilitating passenger check-in, baggage handling, security checks, and cargo logistics;
- (iii) **Aviation Security:** Implementing security protocols, conducting screening, and ensuring compliance with aviation security regulations; and
- (iv) **Maintenance and Operations:** Regular maintenance and upkeep of airport facilities and equipment to ensure safety and operational efficiency.

• Distribution Methods:

As a Government-owned Authority, the distribution of TAA's services is managed directly through the Airports under its jurisdiction. Airlines and cargo operators access TAA's services through direct agreements and operational arrangements with the authority. Additionally, passengers and cargo owners' access to TAA's services and facilities at the respective airports

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during their travel or cargo handling processes. TAA collaborates with relevant government agencies, international organizations, and stakeholders in the aviation industry to ensure effective distribution and implementation of its services and initiatives.

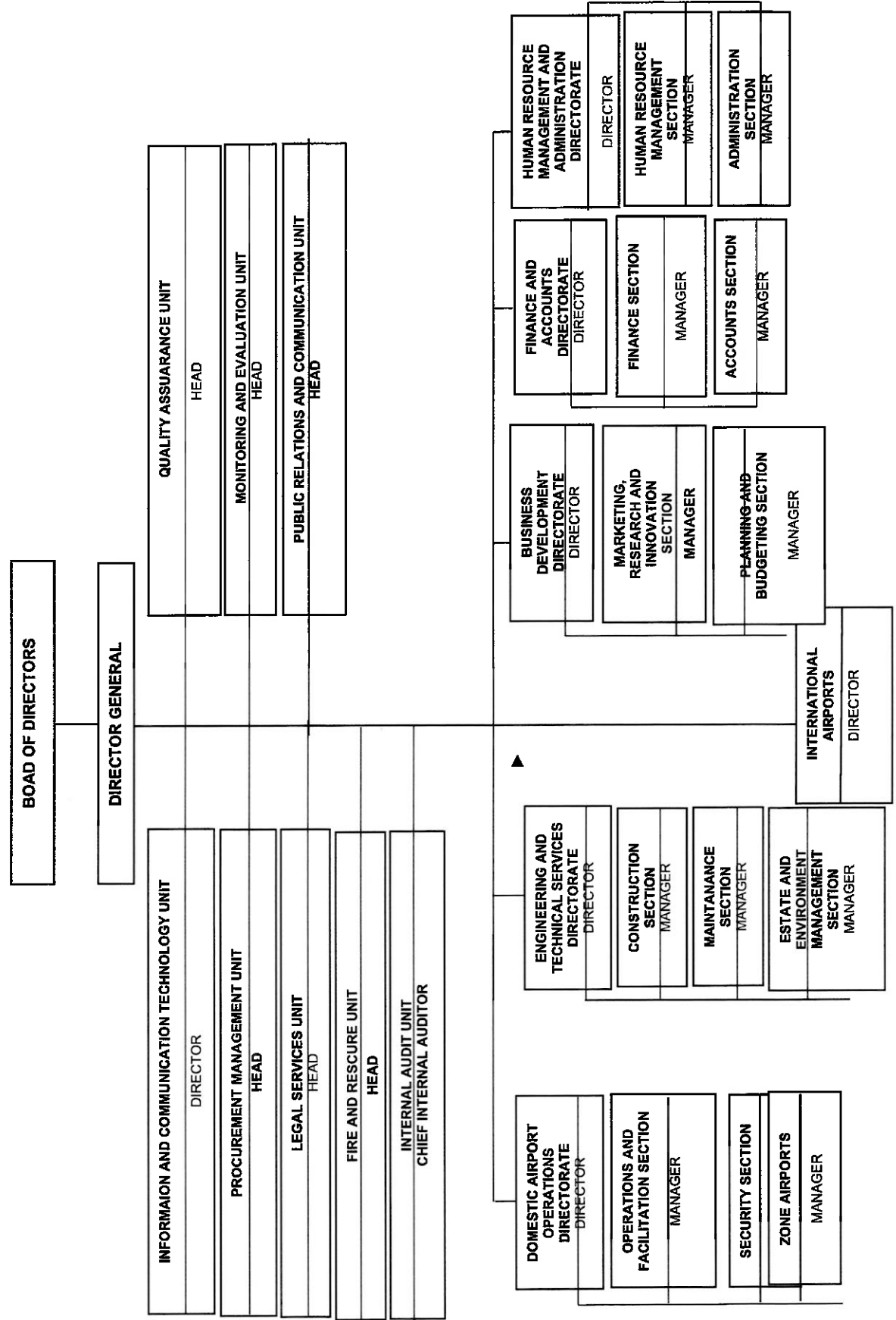
c) Structure of the Entity's operation, and its Economic Model, including an Overview of the main Operating Facilities and their location.

- **Structure of the Entity**

TAA is being led by the Director General (DG), aided by five (5) Directors and five (5) heads of units, as shown in Figure 1 below.

Figure 1:

ORGANISATION STRUCTURE OF THE TANZANIA AIRPORT AUTHORITY (TAA)



THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

• Economic Model

Tanzania Airports Authority operate under varied economic model that include public service mandate with revenue generating activities, the following is the TAA economic framework.

i. Revenue structure

TAA economic model consist of two revenue streams namely Aeronautical and non-aeronautical revenue. Aeronautical revenue includes Passengers fees, Landing & Parking fees, security fees, aerobridge fees while non aeronautical consist of Rent, Concession fees, Car parking fees and other Miscellaneous charges.

TAA is working on improving its non-aeronautical revenue from 28% to the world average ratio of 40%, this move will reduce dependence on aeronautical revenue source for funding its operations.

ii. Cost Structure

TAA Manages 61 airports and most of these airports are non-cash generating while TAA incur operational and development expenditure, in general TAA incur expenditures on Construction of Airport facilities, operation cost on safety and security of the airports and payment of employees' cost.

iii. Ownership

All airports under TAA are owned by the government and TAA assumes its responsibility under Tanzania Airports Act No. 8 of 2024. Currently TAA receive Government grant / subvention from the Central Government while fees paid by passengers upon departure from the airports in mainland Tanzania are collected by the government in terms of airport tax.

iv. Public Obligation

TAA is commercially oriented and conduct its business to generate revenue though maintain public service role

d) Effectiveness and efficient utilization of resources.

In terms of resources, TAA has tangibles and intangibles, which include intellectual resources, human resources, social and relationship resources and financial resources. These are explained below:

i. Intellectual Resources

The TAA's intellectual resources, including ICT application systems which have automated and modernised operations, have thus improved the provision of airport services and business operations. TAA ICT systems in operations include the following:

A. TAA Systems in operations: -

- Airports Management Information System (AMIS);

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- Automated Car Parking Management System (PMS);
 - Baggage Handling Systems (BHS);
 - Closed Circuit Television Camera - CCTV;
 - Visual Docking Guidance System (VDGS);
 - Public Address Systems (PA) and
 - Integrated Financial Management System (IFMIS)
 - Airfield Lighting Monitoring and Control (ALMCS)
 - PMCS- Power Monitoring and Control System
 - Building Management System (BMS)
 - TAA INTRANET
 - TAA Website
 - Biometric device
- B. Government shared systems used in TAA: -
- Mfumo wa Uhasibu Serikalini (MUSE)
 - E-Office Management system.
 - Government Mailing System (GMS).
 - Help desk
 - Public Employees Performance Management Information System (PEPMIS)
 - National e-Procurement system of Tanzania (NeST)
 - Government Asset Management Information System (GAMIS)
 - Government ICT Service Portal (GISP)
 - Planning and Reporting System PLANREP
 - Travel permit system
 - e-mrejesho
 - e-board

In general, leveraging modern technology through the acquisition and use of ICT systems improves the TAA's service delivery, customer satisfaction and enhances efficiency. TAA shall continue its initiative to automate its business processes, improving efficiency and reducing business operation costs.

Factors that may affect availability, quality and affordability of intellectual resources include technological changes, ICT security threats, outdated facilities and unexpected power or Network outage and scarcity of resources. However, TAA is organised to cope with the said challenges of intellectual resources to meet current and future demands.

ii. Human Resources

TAA has skilled, committed, motivated and competent employees dedicated to the provision of quality services that meet and exceed customers' expectations. Management adheres to the principles of good governance and promotes a good working environment and labour relations. In addition, TAA has continually invested in human resource development focusing on training, staff wellness, staff recognition, competitive remuneration and career growth.

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By 30 June 2025, TAA had offices in 26 Regions of Tanzania Mainland and a total of 1091 employees compared to 902 employees on 30 June 2024. Nevertheless, TAA is taking close care of its human resources to ensure they are highly motivated to continue working with the Government and meet future demand.

Social and Relationship Resources

TAA's social and relationship resources are composed of ethical and transparent relationships with its customers, regulated service providers, suppliers, regulatory bodies, the Government and the public, who are internal and external stakeholders, by establishing a harmonious relationship. TAA creates a shared value strategy relating to social development initiatives such as education and leadership development, financial inclusion, health and safety facilities, which are delivered to the communities in the areas of operations.

During the year under review, Airport's stakeholders extended required cooperation and support to the TAA's activities. In addition, TAA established and maintained good working relationships with local entities within the country and maintained international networking with relevant organs, including KOICA, IATA and ACI.

Financial Resources

TAA's financial resources consist of government funding, revenues generated from airport services (such as landing fees, parking fees, rent, concessions, advertisement, security fee, cute charges and other charges), government grants and loans. These resources are essential for infrastructure development, operational costs, and investment in modernizing airport facilities.

Macro and micro economic conditions of the Authority

The aviation sector experienced a strong rebound and record-breaking performance in year 2024, with passenger traffic exceeding pre-pandemic levels by 17% and airlines achieved full recovery. The sector plays a vital role in the country's economy, impacting both macro and micro levels. Macro-economically, the sector contributes to GDP growth through employment, tourism and trade and investment facilitation. Number of tourists increased by 18.4% in year 2024 when compared to the number recorded in year 2023 and 65% of the total international tourists' arrivals used airports (MNRT Report 2025). This influx of tourists has led to a notable increase in foreign currency earnings as it can be recalled from the Tanzania Association of Tour Operators' report that, Tanzania's tourism sector generated a record-breaking \$3.9 billion in foreign currency earnings in year 2024. Micro-economically, the aviation sector influences individual businesses, airlines and consumers through prices, competition and service quality. The summary below provides highlights on the overall performance.

- Overall aircraft movements grew by 0.3% (that is from 148,954 movements in the FY 2023/2024 to 149,405 movements in the FY 2024/2025)
- Overall number of passengers recorded a growth of 1.5% (that is from 5,178,198 passengers in the FY 2023/2024 to 5,257,807 passengers in the FY 2024/2025)

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- Overall, Cargo tonnage increased by 7.8% (that is from 35,321 tons in the FY 2023/2024 to 38,091 tons in the FY 2024/2025).

f.) Market forces (such as the relative strengths and weaknesses of competitors and customer demand)

The following are the TAA's strengths, weaknesses, opportunities and challenges

Strengths

i. Transformational and committed leadership.

TAA has leadership which responds to change and committed in undertaking their duties and responsibilities for the success of the organization.

ii. Competent and effective workforce

TAA prides itself in having a competent and effective workforce behind its achievement. This high-profile team of employees has been developed over the years since its inception. This competency has been a result of an organization culture that encourages innovation, creativity and skills development.

iii. Credit worthiness

TAA has built up a strong credibility to Development Partners and Financiers which in turn has enabled it to secure funding for upgrading, development and modernization of airports infrastructures and facilities.

iv. Availability of improved airport infrastructures

Since its establishment TAA has continued to make significant improvement on infrastructures and facilities at several airports, hence providing a conducive operating environment for airlines and the travelling public. These efforts have contributed to the steady growth of the air transport sub-sector in the country.

Weaknesses

i. Inadequate funds for major Airport developments

Development and modernization of airport infrastructure and facilities at most airports require heavy investments. However, due to inadequate funds generated from within, it has not been possible to undertake major infrastructure developments at all airports without the support from the Government and Development Partners

ii. Low investment in non-aeronautical projects

Non-Aeronautical revenues play an important role in supplementing the highly regulated aeronautical revenues. However due to low traffic and inadequate funding in commercial activities, TAA has not been able to develop sufficient non-aeronautical revenues.

iii. Low level of ICT application

ICT is an important enabler for users of airport infrastructure and facilities. However, only 60%

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of our airports are connected to the national backbone cabling, thus hindering airport ICT connectivity. Also, automation of different systems in our airports are yet to be implemented.

iv. High dependency on aeronautical revenue sources

Non aeronautical revenues could play an important role in supplementing the highly regulated aeronautical revenues. However, due to low traffic and inadequate funding in commercial activities, TAA has not been able to generate sufficient non aeronautical revenue. The ration of aeronautical revenue to non-aeronautical revenue is 72:28

Opportunities

i. Peace and political stability

Tanzania is one of the few African countries enjoying peace and political stability for many years due to its strong and democratic political environment and currently Tanzania rank as No.1 in East Africa. This acts as a competitive advantage in different investment opportunities available in our Airports compared to other countries within the region.

ii. Presence of Public Private Partnership (PPP) Policy, Act and regulation

Having in place the Public Private Partnership (Amendment) Act, 2023 and its regulations that enables TAA to partner with private sector in developing and modernizing Airports infrastructures and facilities for sustainable air transport in Tanzania.

iii. Government support in capital development

The Government continuously has been supporting TAA in financing infrastructure developments at its airports and expects that such support to continue in the coming years.

iv. Attractive and wide range of Tourism mixed products

Tanzania is among the destinations for tourism in the World with abundant natural attractions. Air Transport and Airports have the potential to benefit from the growth of tourism in Tanzania.

v. Investment operations in different areas

The discovery of gas, oil and minerals and availability of vast business opportunities in the country have a positive impact on the aviation industry due increased number of investors coming to the country for these opportunities. Hence passengers and cargo volumes has increased.

vi. The sustained operational efficiency of local air service providers.

The operational stabilization of the National Flag Carrier, Air Tanzania Company Limited (ATCL), and its continued growth across domestic, regional, and international markets have had a positive impact on airport traffic and business performance. Additionally, the advancement of General Aviation Operators such as Flightlink—through the deployment of

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larger aircraft and expansion into domestic and regional routes—has contributed to increased traffic at various airports, while also enhancing overall connectivity.

vii. Enhanced Airport Infrastructures.

The completed, ongoing, and planned airport infrastructure development projects are expanding the air travel market by enhancing accessibility to all regions of the country through air services throughout the year, that assures business sustainability to new and existing airlines at airports.

viii. Growing demand for Aviation and allied services

Over the period, aviation industry has shown a steady growth in Tanzania. This in turn has resulted in continuous increase of demands for allied services at airports.

ix. Anticipated integration of the East African region

The integration of the East African region will result into growth of socio- economic activities and therefore giving room for expansion of the aviation market within the region.

x. Steady economic growth which move the country into lower middle income status.

Challenges

i. Encroachment, trespassing and Environmental pollution at the airports and huge Compensation requirement.

Encroachment and trespassing on the airport land continues to threaten airport safety, security as well as the environment of air transport in Tanzania. TAA will continue with efforts to resolve these problems through the implementation of safety, security and environmental measures at its airports. However, the cost of compensating, resettling occupants on airport land and mitigating environmental issues is huge and remains a major challenge to TAA and the Government as a whole.

ii. Management and Operations of Nonperforming Airports.

Many airports operated by TAA are not commercially viable, yet TAA has the responsibility of managing and operating them as public service obligation. This necessitates cross-subsidisation of meagre resources generated from commercially viable airports instead of reinvestment to modernise and improve services.

iii. Competition from Neighbouring Airports

With the integration of the East African region, airports in the partner states will create stiff competition among themselves.

iv. Rapid aviation technological change

The current worldwide innovation in the aviation industry, for instance, artificial intelligence, unmanned aircraft innovations, robotics, biometrics, blockchain, alternative fuels, and

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electric aircraft demonstrates a reciprocal need for advancements in technology across the industry and even other modes of transport. Achieving sustainable mobility will only be possible if all modes of transport work together to jointly address inefficiencies in the current transport system holistically.

v. Competition from other modes of transport

The improved roads infrastructure and introduction of the Standard Gauge Railway (SGR), for Example, the Dar - Dodoma route, has brought significant competition to air transport by reducing short-haul air travel demand. This competition is expected to grow given the continued expansion of railway and road infrastructure planned by the government.

vi. Outbreak of pandemic diseases and Natural disasters

Upsurge of the pandemic diseases and natural disasters normally results into an unprecedented and precarious internal and external environment to the organization and the aviation industry at large.

vii. Threats of terrorism

Aviation Security has taken centre stage in governments worldwide due to terrorist incidents across the world, which have claimed many lives and caused loss of property. These include Aircraft hijacking, Hostage taking, Bomb threats, MANPADS and other related threats. The aviation industry is a target of terror attacks due to several reasons, including strong reaction from Governments, organisations and companies affected; gaining international attention and publicity for their cause; and targeting specific individuals on an aircraft, such as diplomats or VIP's.

Way forward

The explanations below provide a strategic way forward for mitigating and addressing the challenges above.

- i) Encroachment, trespassing and Environmental pollution at the airports and huge Compensation requirements.**
 - Digitally map and demarcate all airport boundaries using GIS and satellite technology to prevent encroachments.
 - Work with the Ministry of Lands, local authorities, and courts to expedite eviction of illegal occupants while ensuring humane resettlement.
 - Acquiring title deeds for all airports under TAA by collaborating with the Ministry of Land, and construction of perimeter fences to deter trespassing and illegal settlements.
- ii) Management and Operations of Nonperforming Airports.**
 - Advocate for government subsidies to support non-viable airports.
 - Invite private investors and local authorities to co-manage secondary airports, especially for cargo, training, or tourism operations.
 - Develop non-aeronautical revenue streams such as retail, cargo logistics, real estate, and

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advertising.

iii) Competition from Neighbouring Airports

- Position Julius Nyerere International Airport (JNIA) as a regional hub through improved connectivity, cargo facilities, and airline partnerships.
- Benchmark landing and passenger service fees against neighbouring airports to remain competitive.
- Align airport development with Tanzania's tourism strategy to capture regional passenger flows.

iv) Rapid aviation technological change

- Train TAA staff in emerging aviation technologies such as biometrics, AI, and unmanned systems.
- Collaborate with ICAO, IATA, and universities for research and pilot projects in green fuels and smart airport technologies.
- Prioritize cost-effective technologies that enhance passenger experience and safety, such as e-gates and digital payments.

v) Competition from other modes of transport

- Focus air services on medium/long-haul routes where air travel remains competitive.
- Work with the Ministry of Transport to integrate rail, road, and air transport as complementary modes.
- Market air travel as faster and more efficient for business travellers and high-value tourism markets.

vi) Outbreak of pandemic diseases and Natural disasters

- Develop crisis preparedness plans with SOPs for pandemics, including screening and quarantine measures.
- Create a resilience fund to sustain operations during downturns.
- Coordinate with the Ministry of Health and WHO for disease surveillance and disaster preparedness.

vii) Threats of terrorism

- Install modern surveillance systems, including CCTV, biometrics, and explosive detectors, at all major airports.
- Train security staff in counter-terrorism techniques, intelligence gathering, and crisis management.
- Collaborate with ICAO, Interpol, and regional security agencies to share intelligence on threats.

viii) Critical issues

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The following critical issues were developed from the situation analysis on Technological changes, Societal issues, Environmental and political issues:

- i. Improve airport infrastructure and facilities.
- ii. Improve and strengthen airport business processes.
- iii. Improve financial management controls.
- iv. Enhance safety, security, facilitation and environmental standards at Airports.
- v. Enhance use of ICT to manage and facilitate functions of the Authority.
- vi. Improve Performance Management systems.
- vii. Enhance human resource management.
- viii. Improve programs for HIV/AIDS and Non-Communicable Diseases.
- ix. Enhance Anti-corruption strategies to employees.
- x. Facilitate review of TAA's legislation and policies.
- xi. Enhance competitiveness and quality of services.
- xii. Improve working environment.

h) Compliance with Laws and Regulation.

TAA operates within a legal framework defined by the government of Tanzania and relevant aviation regulations. Compliance with these laws and regulations is essential for effective airport management and safety. Apart from the establishing Act, TAA is also guided by the Civil Aviation Act of 2020 and its various regulations in the implementation of its duties. Further, there are other sectoral legislatures that have to be followed in the implementation of airport activities, including the Tanzania Meteorological Authority Act No. 2 of 2019 and the like.

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4. SERVICE PERFORMANCE INFORMATION

Table 1: Below is a summary of key service performance information.

Objective	Strategies	Target	Input	Output	Outcomes	KPIs	Implementation
Airport operations efficiency enhanced	Enhance safety and Security at airports	Aerodrome Licenses (10): Iringa, Kigoma, Mafia, Mtwara, Musoma, Shinyanga, Nachingwea, Ifakara and Sumbawanga, Ifakara and Kasulu airports renewed by June 2025	Human Capital; Financial Capital	Aerodrome Licenses renewed	Increased number of licensed and or certified aerodromes	Number of certified and or licensed operational airports	Aerodrome Licenses for Musoma, Kigoma, Shinyanga, Mtwara, Mafia, Kasulu, Sumbawanga, Ifakara, Nachingwea and Iringa airports renewed.
		Full Emergency Drills at Regional airports prepared and conducted at Songwe and Dodoma airports by June, 2025	Human Capital; Financial Capital	Drill exercises conducted as per SARPs	Improved airport safety	Number of airports conducted Emergency exercises	Emergency Drills exercise for Songwe and Dodoma airports successful conducted in the third quarter of financial year 2024/2025.
Airports Development and Maintenance Improved	Improve airport infrastructure, and systems facilities	To Service and maintenance of mechanical (plants, equipment and systems) at JNIA by June, 2025	Human Capital; Financial Capital;	Mechanical (plants, equipment and systems) at JNIA serviced	Efficiency facilities	Number of airports with improved infrastructures	- Preventive, Corrective and breakdown Maintenance of Mechanical facilities and system implemented - Spares parts and consumables supplied - Service and maintenance conducted successfully
		To Service and maintenance of electrical (plants, equipment and systems) at JNIA by June, 2025	Human Capital; Financial Capital;	Electrical (plants, equipment and systems) at JNIA serviced	Efficiency facilities	Number of airports with improved infrastructures	- Electrical consumables purchased - AGL consumables purchased - Diesel for Gens purchased - Spare parts and consumables for service and maintenance of Gens supplied - Service and maintenance conducted successfully
		Supply, Installation, Test and commission of Airport Management Information System (AMIS) at Songwe,	Human Capital; Financial Capital	AMIS supplied, installed and tested	Reduced Customer complaints	Number of system installed	AMIS at four Airports – Songwe, Arusha, Dodoma and Bukoba have been successfully supplied, installed and tested.

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Objective	Strategies	Target	Input	Output	Outcomes	KPIs	Implementation
Airport Business Development Improved	Enhance environment competitiveness and revenue maximization at Airports	Arusha and Dodoma Airports by June, 2025 Twenty-two (22) International Passenger Airlines at JNIA maintained by June, 2025	Human Capital; Financial Capital	Existing airlines maintained	Increased number of new investors; Increased business at the airport	Number of new airlines	- Twenty (20) International Passenger airlines at JNIA maintained and two (02) new international passenger airlines attracted (Skyward Express and South African Airways). - Therefore, total international passenger airlines operating at JNIA are 22 and these are; Emirates (EK), Air MozambiqueTM, Kenya Airways, KLM Royal Dutch Air, Ethiopian Airline, Qatar Airways, Egypt Air, Rwanda Air, Oman Air, Turkish Airline, Malawian, Fly Dubai, Uganda Airlines, Air Zimbabwe, Air Link, EWA, ATCL and Precision Air, Air Zambia and South African Airways, Skyward Express and South African Airways.
Capacity of TAA to deliver its mandate functions enhanced	Improve financial resource management	Financial statement for the 2024/2025 FY produced by June, 2025	Human Capital; Financial Capital	Financial statement for the 2024/2025 FY produced	Unqualified Audit opinion	Audit Opinion	The financial statement was prepared and submitted to the CAG
	Improve corporate planning	Annual Procurement plan for the 2025/2026 FY prepared by June, 2025	Human Capital; Financial Capital	Annual Procurement plan for the 2025/2026 in place	Unqualified Audit opinion	Audit Opinion	The annual procurement plan for the 2025-2026 FY was prepared

Controller and Auditor General

AR/CG/TAA/2023/24

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Objective	Strategies	Target	Input	Output	Outcomes	KPIs	Implementation
		MTEF budget for the 2025/2026 FY prepared by June, 2025	Human Capital; Financial Capital	MTEF Budget for the 2025/2026 in place	Unqualified Audit opinion	Audit Opinion	MTEF Budget for the 2025-2026 FY was prepared

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5. OBJECTIVES AND STRATEGIES OF THE AUTHORITY

Table 2: Below provides detailed Objectives and Strategies for Short, Medium and long term of the Authority.

S/N.	Objectives	Strategies
1.	Objective A: HIV/AIDS infections and non-communicable diseases reduced, and supportive services improved	i. Short-Term Strategies - Care and support services to PLW HIV provided; - Programme on health, nutrition and fitness approved and implemented. ii. Medium-Term Strategies - Develop preventive mechanisms on HIV / AIDS and NCDs; - Strengthen support services to staff living with HIV and AIDS iii. Long-Term Strategies - Develop Programs to fight HIV/AIDS and Non-Communicable Diseases (NCD) at workplace.
2.	Objective B: Implementation of National anti-corruption strategy enhanced and sustained.	i. Short-Term Strategies - Develop and facilitate Integrity committee. - Maintain zero tolerance level on corruption practices and malpractice. ii. Medium-Term Strategies - Conduct awareness programs on corruption and ethical issues; - Enhance accountability and transparency. iii. Long-Term Strategies - Perform risk assessments and fraud related audits
3.	Objective C: Airport operations enhanced. efficiency	i. Short-Term Strategies - Improve safety, Security and environment at airports; - Improve passengers' services at airports; ii. Medium-Term Strategies - Enhance safety and Security at airports; - Improve facilitation of passengers, cargo and aircraft at airports; - Enhance environment management at airports;

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S/N.	Objectives	Strategies
		iii. Long-Term Strategies • Enhance airports operations and accessibility. • Enforce internal safety and security compliance. • Investment in terminal infrastructure to improve the efficiency of aeronautical services (e.g. luggage transfers and passengers flows)
4.	Objective D: Airports Development and Maintenance Improved	i. Short-Term Strategies • Increase certificate of Rights of Occupancy ii. Medium-Term Strategies • Strengthen authority real estate management; • Improve airport infrastructure, systems and facilities. • Enhance airports maintenance programs iii. Long-Term Strategies • Development of modern airport infrastructures • Increase in airport infrastructures in passengers' terminal capacity by building a new terminal, extending existing ones or processing technology improvements • Investment in passenger terminal capacity by building a new terminal, extending existing ones or processing technology improvements. • Investment in freight terminal capacity by improving technology, building a new terminal or extending existing ones.
5.	Objective E: Airport Business Development Improved	i. Short-Term Strategies • Improve non aeronautical revenue at airports. • Develop airport marketing plan. ii. Medium-Term Strategies • Enhance business environment competitiveness. • Strengthen Airport business processes • Enhance revenue maximization at Airports

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S/N.	Objectives	Strategies
		- Automation of business processes at airports iii. Long-Term Strategies - Development of commercial activities by increasing the areas for non-aeronautical businesses at the airports. - Investment in freight terminal capacity by improving technology, building a new terminal or extending existing ones. - Development of hotels and commercial building complexes at the airports - Investment in publicity, communication and marketing towards airlines and/or towards passengers
6.	Objective F: Capacity of TAA to deliver its mandate functions enhanced.	i. Short-Term Strategies - Increase annual revenue collection. - Improve expenditure control. - MTEF and Performance Reports prepared. - Integrated Management System (ISO 9001:2015; 14001:2015; & 45001:2018) maintained. - Improve staff capacity, fringe benefits and working environment. ii. Medium-Term Strategies - Enhance human resource management. - Improve financial resource management. - Improve corporate planning. - Improve institutional governance and legal services. iii. Long-Term Strategies - Improve institutional governance and legal services. - Improve corporate planning. - Enhance human resource management. - Improve financial resource management.

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6. STAKEHOLDERS' RELATIONSHIP

The Tanzania Airports TAA's stakeholders are individuals or institutions with direct or indirect interest on services offered by the Authority. The stakeholders are listed below:

Table 3: TAA Stakeholders' Analysis

S/N	STAKEHOLDER	SERVICE OF OFFERED	EXPECTATIONS
1.	Airlines Operators	• Provision of Airport	• Adequate and reliable
2.	Passengers	• Airport services. • Car Parking Space • Information on travel schedules	• Comfortability • Accurate information • Enough Space • Safe and secured
3.	Tenants and concessionaire	• Provision of Fuel farm and • Hydrant systems • Cargo warehouses • Parking space	• Enough and affordable space • Compliance with standard • Compliance on safety and security procedures
4.	Ministry of Transport	• Implementation of National Transport Policy, regulations and directives. • Technical advice on airport service operations • Annual and periodic Performance	• Effective and efficiency implementation of National Transport Policy, regulations and directives. • Timely and quality reports • Accurate and reliable reports
5.	Other Ministries/ Departments /Agencies	• Provision of Airports Information	• Accurate and reliable information
6.	National and International Regulatory Bodies	• Compliance report • Airports facilities • Information • AIP Information	• Reliable, quality and • Timely information • Reliable power supply • Serviceable landing
7.	Contractors/suppliers /Consultant	• Contract management	• Transparency procurement procedures Timely payment Value for Money

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7. OPERATING AND FINANCIAL REVIEW

a.) Analysis of Budget Vs Actual collection.

The activities of 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 208,122.43 billion and the actual amount was TZS 163,973.26 billion as illustrated in the table below:

Table 4: Summary of Budget Vs Actual collection

Item	Approved Budget 2024/2025	Actual Collection 2024/2025	Variance	Variance
	TZS“000,000”	TZS “000,000”	TZS“000,000”	%
Govt Subvention- (OC)	16,961.72	14,272.24	(2,689.48)	(16%)
Govt Subvention- (Dev)	88,843.65	47,469.53	(41,374.12)	(47%)
Govt Subvention- (PE)	16,447.28	18,225.00	1,777.72	11%
TAA Own Source	85,869.78	84,006.49	(1,863.29)	(2%)
Total	208,122.43	163,973.26	(44,149.17)	(21%)

b.) Analysis of Financial Position

i) Cash and Cash Equivalent

Cash and Cash Equivalent involves cash at the end of the period with revenue accounts, collection accounts and expenditure accounts. During the year under review, cash and cash equivalents were TZS 14.328 billion as at 30 June 2025, compared to TZS 4.776 billion for the financial year ended 30 June 2024. The increase in cash was primarily attributed to funds received from the Government for the procurement of AGL and Fire tender for Arusha Airport and exchequer for other charges (OC) for the month of June 2025.

ii) Inventories

The inventories as at 30 June 2025 were TZS 169.95 million, compared to TZS 805.05 million, for the Financial Year ended 30 June 2024. The decrease is caused by improved efficiency in managing Inventory.

iii) Prepayments

During the year 2024/25, prepayments were TZS 54.98 million, while in 2023/24, they were TZS 33.06 million. The increase was due to advance payments to suppliers for ongoing operational activities.

iv) Account Receivables

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The amount receivable as at 30 June 2025 is TZS 66.38 billion compared to TZS 51.32 billion for the financial year 2023/24. The increase was attributed to the improvement of Revenue, which accelerated largely outstanding balances from airlines and concessionaires.

v) Property Plant and Equipment (PPE)

The total Carrying Amount of PPE as at 30 June 2025 is TZS 7.93 billion as compared to TZS 7.97 billion for the Financial Year ended 30 June 2024. The decrease is attributed by the depreciation and disposals of redundant assets.

vi) Intangible Assets

For the 2024/25 financial year, TAA reported intangible assets valued at TZS 21.43 million while in the previous financial year the value was TZS 42.23 million. These intangible assets relate to the Car Parking System for JNIA, Mwanza, Arusha and Dodoma stations, with a total value of TZS 63.03 million which was initially classified under PPE. The intangible asset is amortized at a rate of 33% per year.

i) Provision for Expected Credit loss - Long term

At the end of financial year 2024/25 Provision for expected credit loss - long term was TZS 45.32 billion compared to TZS 39.08 billion for financial year 2023/24. The increase in provision was primarily attributed due to increase of receivables amount from ATCL for the services rendered by TAA during the year. Work in Progress (WIP)

The total Carrying Amount for WIP as at 30 June 2025 is TZS 116.39 billion as compared to TZS 113.306 billion for the Financial Year ended 30 June 2024. The increase is due to ongoing implementation of major airport projects.

ii) Deferred Income

At the end of financial year 2024/25 Deferred Income TZS 11.159 million compared to TZS 509.39 for financial year 2023/24. The increase in cash was primarily attributed due to unspent fund received from Government for procurement of Automatic Ground Light (AGL) and Fire tender for Arusha Airport and exchequer received at the end of the year for other charges.

Summary of Movement of Deferred Income	TZS
The Opening Balance of Differed grants as at 1 July 2024	509,389,043.00
Additional grants received during the year 2024/25	79,966,769,951
Total Fund	80,476,158,994
Less:	
Total Amortized Grants during the year 2024/25	(69,316,182,368)

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Summary of Movement of Deferred Income	TZS
Closing balances as at 30 June 2025	11,159,976,626.00

Closing Deferred income amount is related to unpaid amount of TZS 9,700,876,009 for procurement of Automatic Ground Light (AGL) system in Arusha, the payment is made in EURO through Letter of Credit (Bank transfer) and 1,372,330,617 as recurrent exchequer received at the end of June 2025 and 86,770,000 as other charges for recurrent expenditure for TAA.

i. Deposit

The deposit declined to 522.3 million at 30 June 2025 from TZS 762.88 million compared for the financial year 2023/24 mainly due to refund of performance deposits after contract completion. The decrease in deposits is a result of the variance between the current year's deposit balance and the prior year's balance.

When the deposit balance decreases, it indicates that there has been a cash outflow from TAA to settle payments to various parties. This outflow is reflected in the cash flow statement under the expenses section.

ii. Payables

The Outstanding Liabilities as at 30 June 2025 is TZS 128.56 billion compared to TZS 155.65 billion for the financial year 2023/24. The reason for decrease is due to on time settlement of obligations and recognition of land compensation at Kipunguni as payable

iii. Other borrowing by Government Entity

TAA had a loan from CRDB Bank Ltd denominated in US dollars. As of the financial year 2024/25, the outstanding loan balance was TZS 11.878 billion, compared to TZS 30.741 billion in the financial year 2023/24. During the year, principal repayments amounted to TZS 19.172 billion. Due to changes in the exchange rate of the loan, TAA incurred an unrealised exchange loss of TZS 309.11 million for the financial year 2024/25 and TZS 3.445 billion for the financial year 2023/24.

Loan Repayment for FY 2024/2025 (USD)					
Date	exchange	Principal (USD)	Principal (TZS)	Interest (TZS)	Interest (USD)
Jul-24	2,620	1,143,704	2,996,505,292	349,671,881	133,463
Aug-24	2,733	575,970	1,574,163,132	170,388,126	62,343
Sep-24			-	-	
Oct-24	2,733	1,164,162	3,181,732,772	307,823,970	112,630
Nov-24	2,733	586,459	1,602,831,029	141,720,675	51,854
Dec-24	2,733	591,552	1,616,752,507	127,799,197	46,760
Jan-25	2,733	98,614	269,518,997	-	

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Feb-25	2,733	494,945	1,352,718,967	122,805,419	44,933
Mar-25	2,735	1,201,758	3,286,808,868	205,815,123	75,252
Apr-25	2,735	604,381	1,652,982,883	92,802,680	33,932
May-25	2,690	609,001	1,638,213,847	78,847,639	29,311
Jun-25					
		7,070,547.67	19,172,228,294.78	1,597,674,709.07	590,478.12

Loan Movement Schedule (TZS)

During the year, the CRDB USD loan recorded changes arising from both interest charges and principal repayments. The loan opened the year with a principal balance of TZS 30,731,645,680. Over the year, interest amounting to TZS 1,597,674,709 was charged and fully paid. In addition to interest, the company made principal repayments totalling TZS 19,172,228,289, which significantly reduced the outstanding loan balance. After accounting for all movements, the loan closed the year with a remaining principal of TZS 11,878,524,138 as shown in table below.

Description	Amount (TZS)
Opening Loan Principal (Beginning of Year)	26,878,647,120
Add: Interest Accrued & Paid During the Year	1,597,674,709
Total Loan Obligation Before Payments	28,476,321,829
Less: Principal Paid During the Year	-19,172,228,289
Closing Loan Principal (End of Year)	7,706,418,831
Detailed Amortization-Style Table (Expanded Columns)	
Item	Amount (TZS)
Opening Loan Principal (Beginning of Year)	30,741,645,680
Add: Interest Accrued & Paid During the Year	1,597,674,709
Total Loan Obligation Before Payments	32,339,320,389
Principal Paid During the Year + interest	20,769,902,998
	11,569,417,391
Add: Loss in exchange transaction -current	309,106,747
Closing Loan Principal(End of Year)	11,878,524,138

STATEMENT OF CHANGES IN NET ASSETS AND EQUITY FOR THE PERIOD ENDED 30 JUNE 2025

During the financial year, changes in owner's equity were influenced by various factors, including the net surplus or deficit for the year and other appropriations. As of 30 June 2025, the cumulative change in owner's equity amounted to TZS 1,493.68 billion, compared to TZS 1,483.49 billion for the financial year 2023/24. Accumulated Surplus of 2023/24 was restated by TZS 1,129.93 billion for recognition of a new tax liability arising from withholding tax and TZS 1,414.500 for recognition of PPE located in TAZARA.

Summary of restated amounts of Changes in owners' Equity for the year 2023/24.

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Changes in Owners' Equity (Before)	Changes in Owners' Equity (After)	Difference	Effect
1,150,381,439,780	1,324,046,026,265	173,664,586,485	The change in owners' equity during the year was partly attributed to the recognition of a withholding tax liability of TZS 1,397,521,001 and the inclusion of certain assets that had not previously been recorded in the Property, Plant and Equipment (PPE) register. These assets relate to TAZARA properties that have now been recognised by the Authority, thereby increasing the value of total assets and impacting owners' equity accordingly, amounting to TZS 1,414,500,000 and Unbudgeted payment not recognised as payable amounted TZS 1,146,913,249, Also the inclusion of PPE of Geita airport TZS 65,626,241,841.03, Building of Inflight catering(LSG) TZS 3,037,000,000.00 and Asset for Kilimanjaro International Airport (KIA) TZS 106,131,278,893 Which affect surplus/deficit during the year and affect accumulated equity.

Summary of disclosure of restated comparable figures related to all adjustments done in previous year's financial statements in financial position analysis as per Treasury Circular No. 2 of 2018/19

Components	Comparative figure 2024/25	Prior year's figure Audited in financial statement 2023/24	Difference	The reason for the reclassification
	A	B	C = (A - B)	
Accumulated Surplus / Deficit	1,149,251,505,532	1,150,381,439,780	1,129,934,248	Recognition of tax liabilities of TZS 1,397,521,000 as amount of unpaid withholding tax

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Components	Comparative figure 2024/25	Prior year's figure Audited in financial statement 2023/24	Difference	The reason for the reclassification
	A	B	C = (A - B)	
				arising from the assessment of TRA, Amounting to TZS 1,146,913 not booked in the FY 2023/24
Surplus /deficit for the year (Surplus)	321,477,608,902	322,624,522,150	1,146,913,249	Liabilities in 2023/24 was not recorded in the books and Payables
Payable and Accrual	155,651,972,80	11,683,448,164	143,968,524,640	Recognition of Kipunguni compensation of Land as payable
Property, Plant and Equipment	7,640,599,790,408	7,495,279,798,743	320,114,512,399 342,414,879,733	Recognition of Kipunguni compensation of Land as an Assets amounted 143,968,524,640 and 63,032,975.00 Intangible Assets included in running ways, Tazara PPE amounted 1,414,500,000 which is omitted in PPE figure also the inclusion of PPE of Geita airport TZS 65,626,241,841.03, Building of Inflight Catering (LSG) TZS 3,037,000,000.00 and asset for Kilimanjaro International Airport (KIA) TZS 106,131,278,893.
Accumulated Depreciation	281,689,201,822	288,703,497,828.29	7,014,296,006.29	This difference is due to the accumulated depreciation of recognized asset of geita ,kia,lsq building
Withholding tax	1,488,987,356	91,466,356	(1,397,521,000)	Recognition of tax liabilities of Tzs 1,397,521,000 as amount of unpaid withholding tax arising from the assessment of TRA, this liabilities in 2023/24 was not recorded in the books.
Wages,Salaries and Employee Benefits (In Cashflow statement)	33,902,319,367	33,407,632,246	494,687,121	The prior year's figures have been restated by TZS 494,687,121 due to the reclassification of imprest receivable movements. In

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Components	Comparative figure 2024/25	Prior year's figure Audited in financial statement 2023/24	Difference	The reason for the reclassification
	A	B	C = (A - B)	
				accordance with IPSAS, the movement of imprest receivables should be included under use of goods rather than under wages and employee benefits.
Use of Goods and Service (In cashflow statement)	36,135,441,970	36,630,129,091	494,687,121	The prior year's figures have been restated by TZS 494,687,121 due to the reclassification of imprest receivable movements. In accordance with IPSAS, the movement of imprest receivables should be included under use of goods rather than under wages and employee benefits.

c.) Analysis of Financial Performance

Revenue

i) Revenue from exchange transaction

Revenue from exchange transaction as at 30 June 2025 was TZS 84.053 billion compared to TZS 79.334 billion for the financial year 2023/24. This increase was mainly due to Increase aircraft movements, passengers, and cargo volumes Improvement's airport operations (From 12 hours to 24 hours) such as Dodoma, Songwe and Songea Airports and attraction of new airlines (Skyward Express and South African Airways).

ii) Revenue grants

Revenue Grants (Government Grants) were TZS 18.225 billion as at 30 June 2025, compared to TZS 338.479 billion for the financial year 2023/24. The decrease was caused by absence of Revenue Grant Non-cash for work in progress and non-monetary revenue compared to last year 2023/24.

iii) Other Revenue

Other revenue declined to TZS 15.011 billion on FY 2024/25 from TZS 15.199 billion on FY 2023/24, mainly due to: Reduced inflows from certain non-recurring items recognised in FY 2023/2024; Temporary suspension of some concession contracts pending renewal.

iv) Fair Value Gains on Assets and Liabilities

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Fair value gains decreased from TZS 380,551,002 in FY 2023/2024 to TZS 0 in FY 2024/2025 because: No revaluation exercise was conducted in the current financial year; and the prior year's amount reflected a one-off adjustment from valuation of investment property and financial assets.

v) Subvention from Other Government Entities

Subvention increased from TZS 37.191 billion for FY 2023/24 to TZS 51.091 billion for FY 2024/25 primarily due to: Additional budgetary support from the Government to facilitate ongoing airport infrastructure projects; such compensation of acquisition of Kipunguni Land.

Expenses

i) Depreciation and amortization expenses

The amount of depreciation charged was TZS 47.358 billion during the year 2024/25 compared to TZS 43.377 billion for the year 2023/24. The reduction in depreciation and amortisation expenses during the year is mainly due to the disposal of certain assets, the full depreciation of older assets in prior years, and adjustments to the useful lives of some assets. As a result, the overall depreciation and amortisation charge for the current year is lower compared to the previous year.

ii) Impairment of Intangible Assets

For the 2024/25 financial year, TAA reported impairment of intangible assets valued at TZS 20.8 million while in the previous financial year the value was TZS 20.8 million. These intangible assets relate to the Car Parking System for JNIA, Mwanza, and Dodoma stations, with a total value of TZS 63.03 million which was initially classified under PPE. The intangible asset is amortized at a rate of 33% per year.

iii) Interest Expenses

The Finance/Interest cost was TZS 1.597 billion for the year 2024/25 compared to TZS 2.659 billion as in the year 2023/24. The reason for decrease is due of CRDB loan balance decrease.

iv) Loss on Disposal of Assets

In the financial year 2024/25, TAA recorded a Loss on Disposal of Assets of TZS 272.41 million a significant increase compared to TZS 17.85 million in 2023/24. This sharp rise is mainly due to disposed of more assets or higher-value assets in 2024/25, many of which were already old, highly depreciated, or obsolete, meaning they were sold or written off at very low values. As a result, the difference between the assets' book values and the amounts received from disposal was much larger than in 2023/24. This led to a higher total loss on disposal in 2024/25 compared to the previous year.

v) Loss on exchange transaction

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During the year, the company incurred a foreign exchange loss of TZS 309.11 million arising from the revaluation of the CRDB USD loan balance. This loss reflects the impact of movements in the exchange rate between the Tanzanian Shilling and the US Dollar during the reporting period. In the previous year, the company recorded a significantly higher exchange loss of TZS 3,445.33 billion also attributable to the same loan. The year-on-year reduction in the exchange loss indicates relatively lower exchange rate volatility affecting the loan in the current year compared to the prior year.

vi) Expected Credit Loss

Expected Credit Loss (ECL) for the current financial year is TZS 6.48 billion compared to TZS 6.57 billion in the previous year. This slight decrease indicates that the overall credit risk exposure has improved, outstanding balances are lower, and the organisation has strengthened its credit management and recovery processes. As a result, the amount required to be set aside to cover potential future credit losses has reduced compared to the previous year.

vii) Maintenance Expenses

Total expenditure for Routine Maintenance and Repairs Expenses was TZS 14.780 billion for the year 2024/25 compared to TZS 13.894 billion in the financial year 2023/24. The increase in Maintenance Expenses during the year was primarily due to the higher frequency and extent of maintenance activities carried out to ensure operational efficiency of the Authority's assets. Factors contributing to the increase include the ageing of infrastructure, higher cost of spare parts and materials, and the need to address emerging repair requirements to prevent asset deterioration and service disruptions.

viii) Other Expenses

Other Expenses were TZS 5.212 billion for the year 2024/25 compared to TZS 2.811 billion in the financial year 2023/24. The difference is caused by the improvement of ICT applications.

ix) Use of Goods and Services

Total expenditure for supplies and Consumable Goods was TZS 30.77 billion for the financial year 2024/25 compared to TZS 33.984 billion for the year ended 2023/24.

x) Wages, Salaries and Employees Benefits

The total wages, salaries and employee benefits were TZS 42.35 billion for the financial year 2024/25 compared to TZS 33.926 billion incurred in the financial year 2023/24. The increase was caused by the improvement of staff incentives, the recruitment of new staff and the transfer of staff to TAA.

xi) Surplus during the year

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For the financial year 2024/25, TAA recorded a surplus of TZS10.19 billion compared to TZS 321.48 billion reported in the previous year. The surplus for the financial year 2023/24 has been restated by TZS 1,146.91 due to an unbudgeted payment not recognised as payable.

Summary of the restated amount of Surplus during the year for the financial year 2023/24.

Surplus during the year (Before)	Surplus during the year (After)	Difference	Effect
322,624,522,150	321,477,608,902	1,146,913,249	Unbudget payment not recognised as payable.

d.) Future Plans

Proper organisation and resource management are catalysts towards the attainment of the strategic objectives of the organisation. Effective and efficient planning, implementation and evaluation of organisational strategies, streamlined business processes and corporate plans through a competent and well-motivated workforce are required for the future welfare of the organisation. To achieve the above objectives, TAA engineered the following plans:

- (i) Acquisition of Modern safety and security equipment and facilities for operational airports;
- (ii) Implementation of Safety, Security, Facilitation and environmental standards at airports;
- (iii) To carryout a feasibility study and Detailed Engineering Design of Njombe Airport and New Serengeti Airport;
- (iv) To modernize and expand JNIA Terminal 2;
- (v) To rehabilitate and upgrade of Lindi and Moshi airports
- (vi) Development of Land Use Plans for Kigoma, Tabora, Bukoba, Musoma and Songea airports
- (vii) Leveraging technology through the development and acquisition of modern ICT systems, infrastructures, and facilities to support process execution at airports.
- (viii) Enhance use of ICT in passenger processing through the use of the Airport Management Information System (AMIS) and automation of the revenue collection system through the use of IFMIS.
- (ix) To rehabilitate and upgrade regional airports as follows: -
 - a. Mtwara (Construction of New TB and its associated infrastructures),
 - b. Lind Airport (Construction of New TB and its associated facilities, RWYS, TWYS and Apron)
 - c. Tabora airport (Construction of New TB and its associated infrastructures),
 - d. Shinyanga Airport (Construction of New TB, RWY, TWYS, Perimeter fence, AGL)
 - e. Moshi airports (Upgrade of RWY, TWYS and Perimeter fence)
 - f. Sumbawanga (Construction of New TB, RWY, TWYS, Perimeter fence and AGL)

e) Capital Structure

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The TAA's capital structure for the year ended 30 June 2025 consists of Capital Fund of TZS 6,435,234,340,697 and Accumulated Surplus of TZS 1,493,678,171,750. Thus, making TAA capital fund of TZS 7,928,912,512,447

Treasury Policies and Objectives

TAA treasury policies involve mechanisms established by the board; which delegates financial decisions to Management in a controlled manner. The control instruments in place include; legislation, Government Circulars, Guidelines and the Board resolutions on opening, operating and signing mandate to the bank accounts. The main objective is to ensure proper control and safeguard of the Government's financial resources. Under these mechanisms, the TAA's revenue is collected and remitted directly to the TAA revenue collection accounts maintained at designated commercial banks using GePG, IFMIS; on weekly basis transferred to TAA's revenue collection accounts maintained at BoT. All expenditures of TAA are incurred within the approved limits in the approved annual budget incorporated in MUSE system.

f) Liquidity of the Entity

During the financial year ended 30 June 2025, TAA managed its liquidity level to ensure there is sufficient funds to meet its liabilities when due, without incurring unacceptable losses or risking damage to the TAA's reputation. This was achieved through prudent liquidity management which includes maintaining sufficient cash and cash equivalents and striving to ensure that receivables are settled within grace period of 30 days.

The liquidity has increased due to the reasons above, which means the ability of the company percentage-wise to meet short-term commitments decreases as provided below:

Liquidity ratios	June 2025	June 2024
Current ratio = current assets/current liabilities	0.24:1	.12:1
Acid test ratio=current asset/current liabilities	0:11:1	0:24:1
Cash ratio = cash/current liabilities	0:10:1	0:03:1

8. RESOURCES

In terms of resources, TAA has tangibles and intangibles, which include intellectual resources, human resources, social and relationship resources and financial resources. These are explained below:

i. Financial Resources:

TAA's financial resources consist of government funding, revenues generated from airport services (such as landing fees, parking fees, rent, concessions, advertisement, security fee, cute charges and other charges), government grants and loans. These resources are essential for infrastructure development, operational costs, and investment in modernizing airport facilities.

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Nevertheless, TAA will take administrative and legislative measures to ensure financial resources are available to finance existing and future programs.

ii. Human Resources:

TAA employs a workforce with expertise in various fields, including airports management, engineering, security and operations, customer service, finance, and administration. TAA has skilled, committed, motivated and competent employees dedicated to the provision of quality services that meet and exceed customers' expectations. Management adheres to the principles of good governance and promotes good working environment and labor relations. In addition, TAA has continually invested on human resource development focusing on training, staff wellness, staff recognition, competitive remuneration and career growth. Nevertheless, TAA is taking close care of its human resources to ensure they are highly motivated to continuously working with TAA and meet future demand.

iii. Infrastructure:

TAA's infrastructure resources include the physical assets of airports, such as runways, taxiways, terminals, cargo facilities, control towers, and parking areas. Proper maintenance and development of this infrastructure are critical to ensuring safe and efficient airport operations.

iv. Technology and Equipment:

TAA utilizes advanced technology and specialized equipment for airport security, baggage handling, communication systems, car parking system, cune system and other critical operations. Up-to-date technology enhances operational efficiency and safety.

v. Partnerships and Collaborations:

TAA benefits from collaborations and partnerships with various stakeholders, including airlines, other aviation authorities, government agencies, international organizations such as IATA, ICAO, ACI and private entities. These collaborations help enhance airport services, facilitate air travel, and support the growth of the aviation industry.

vi. Legal and Regulatory Framework:

TAA operates within a legal framework defined by the government of Tanzania and relevant aviation regulations. Compliance with these laws and regulations is essential for effective airport management and safety. However, TAA will collaborate with the key stakeholders, including the Ministry of Transport, to ensure availability and timely amendments, where necessary, of legislation for implementation to address the current and future needs of maritime transport sector.

vii. Land and Property:

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TAA owns and manages land and properties associated with airports, including airport land, terminal buildings, cargo warehouses, and other facilities.

9. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

9.1 Principal Risks and Uncertainties

The TAA's principal risks and uncertainties with their impacts and mitigation are summarized under:

Table 5: The Strategic Risks, Causes and Mitigation

S/N	Risk	Causes	Risk Mitigation
1	Cyber Security Attack	- Weak Authentication and Authorization - Outdated systems, malware (ransomware, computer virus), Spoofing attack etc.	- TAA continues to invest significantly in data management and cyber-security capabilities to better meet evolving customers' needs, expectations and to reduce the potential data breaches. - TAA continues to engage with e-GA to ensure that there is appropriate e-governance in place. - Continuously invest in ICT systems security to secure the confidentiality, integrity and availability of data. - Provide capacity building to ICT staff on systems security and create ICT Regulatory requirements awareness - Conduct regular risk assessments to identify potential vulnerabilities and threats in organizations systems
2	Organizations' reputation risk	Involves a negative perception towards TAA due to misinterpretation, misrepresentation and misreporting of institutions' information by person or media and/reports for knowing or unknowing reasons.	- Complying with TAA's Client Service Charter in improving service delivery; - Verified social media accounts for communicating TAA's activities hence creating trust to the public; - TAA continues to engage itself with the Government,

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S/N	Risk	Causes	Risk Mitigation
			customers, surrounding community and other stakeholders in aviation industry to ensure better service delivery; • Daily monitoring of TAA website contents and social media accounts and response to public concerns.
3	Unwillingness of staff to test for HIV/AIDS and Non communicable diseases (NCDs)	Unwillingness to test for HIV/AIDS and NCDs due to lack of confidentiality, inadequate knowledge on HIV/AIDS and NCDs and discrimination.	• Sensitization program on HIV/AIDS and NCDs; • Special arrangement on confidentiality issues concerning people living with HIV/AIDS; • Involvement of professional counsellors to provide education on importance of testing for HIV/IDS and NCDs; • Incentives for the people living with HIV/AIDS; • Distribution of condoms in all airport toilet.
4	Loss of Aerodrome certificate/ License	Failure to comply with Aerodrome Regulations requirements in operating government owned Airports in Tanzania Mainland.	• Budget is allocated for certification and licensing of aerodromes; • Certification and recertification of security personnel which is a regulatory requirement; • Conduct internal safety and security audits, awareness training to staff and airport stakeholders to enhance airport operations efficiency.
5	Potential pollution to the environment	Environmental pollution due to excessive noise and gaseous emission from aircraft and other equipment, waste water discharge from airports' sewer networks, spillage as well as	• Environmental monitoring and management in compliance to the National Environment Management Council (NEMC), ICAO Annex 16 and ISO 14001:2015 requirements

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S/N	Risk	Causes	Risk Mitigation
		solid waste generated from airports' activities.	including water quality testing and analysis, air quality testing and analysis, noise level management and solid waste management; • Environmental and Occupational Health and safety awareness to airport staff and stakeholders
6	Possibility of institution to have poor revenue control and monitoring system that can lead to liquidity problems.	Improper revenue control system which will lead to loss of revenue.	• Participation in national and international exhibition. • To conduct gap analysis on Airport commercial services (Arusha, Mwanza, Dodoma, JNIA and Songwe) • To advertise and publicize investment opportunities to attract investors at Airports. • To consider other non aeronautical revenue through Public Private Partnership (PPE)

9.2 Opportunities

The TAA's risk assessment process identified opportunities that would expectedly enhance the strategic plan execution as summarized below:

a) Attractive and wide range of Tourism mixed products

Tanzania is among the destinations for tourism in the world with abundant natural attractions. Air Transport and airports have the potential to benefit from the growth of tourism in Tanzania.

b) Growing demand for Aviation and allied services

Over the period aviation industry has shown a steady growth in Tanzania. This in turn has resulted in continuous increase of demands for allied services at airports.

c) Integration of the East African region

The integration of the East African region will result into growth of socio-economic activities and therefore giving room for expansion of the aviation market within the region.

d) Public Private Partnership (PPP)

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The enactment of the Public Private Partnership Act, 2023 and its regulations will enable TAA to partner with private sector in developing and modernizing airports infrastructures and facilities for sustainable air transport in Tanzania.

e) TAA Legislation

The air transport sub-sector has experienced significant changes at the national, regional, and international levels. These changes include the review of key government policies and the legal framework such as the National Transport Policy of 2003, the Civil Aviation Act (CAP. 80), and other related sectoral legislations—which underscored the need for a dedicated legal framework for the establishment, development, and management of airports under TAA.

In response, TAA, through its parent Ministry and in collaboration with the Office of the Attorney General, successfully tabled a bill in Parliament. The bill was passed by the National Assembly on 28th August 2024 and assented to by the President of the United Republic of Tanzania, H.E. Samia Suluhu Hassan, on 2nd October 2024, thereby enacting it into law as the Tanzania Airports Act No. 8 of 2024. The Act was subsequently published in the Government Gazette on 11 October 2024 for implementation.

This legislation marked a significant institutional shift, transforming TAA from an agency operating under the Executive Agencies Act No. 30 of 1997 into a fully-fledged Authority governed by the Tanzania Airports Act No. 8 of 2024.

f) Low-Cost Carriers at our airports

The emergency of low-cost carrier services in Tanzania will have a positive impact on the performance of airports in terms of both aeronautical and non-aeronautical revenues. Also, the new competitive environment created by these airlines has subjected strong pressure on other airlines to reduce their charges. It is expected that, the low-cost carrier operations at airports may necessitate the airports to align their activities with the needs of Low-Cost Carriers.

g) Discoveries of minerals and gases

The discovery of gas, oil and minerals has a positive impact on the aviation industry due to the increased number of investors coming to the country for these opportunities. Hence cargo volumes at some airports are likely to increase due to importation of mining equipment and spare parts.

10. CORPORATE GOVERNANCE MATTERS

A. Corporate Governance Statement

A good corporate governance requires legal, regulatory and institutional basis that is appropriate and efficient. Clear governance rules as well as the necessity of accountability in its actions allow management to be carried out focusing the priorities defined by the

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organization, and decision makers to have their actions assured by a formally established institutional structure, among other benefits.

Governance is associated with setting of rules for the decision-making process; it defines who makes decisions, who is responsible for them, and how decisions must be made. In essence, it defines roles and responsibilities. Management has to do with the execution of rules set by governance, and the operational routine of the organization. Good corporate governance is critical in the public sector entities, and Tanzania Airports Authority in particular, is committed to adhering to the highest standards of corporate governance. This commitment is rooted in the reputation built on a solid foundation of integrity, excellence, accountability, transparency, fairness and inclusiveness.

In view thereof, during the year under review, TAA complied with aspects of good corporate governance principles which include:

- i. **Accountability:** TAA by its mandate is accountable to the Government of Tanzania under Ministry of Transport to national and international aviation regulations, safety and security standards, and industry best practices.
- ii. **Transparency:** TAA is accountable to the general public as it manages public assets and provides essential services. Public accountability involves transparency in decision-making, disclosure of financial and non-financial information, and responsiveness to public inquiries and concerns.
- iii. **Fairness:** The Management of TAA ensures that it considers the legitimate interests and expectations of all stakeholders.
- iv. **Responsibility:** The Management of TAA assumes responsibility for the assets and actions of TAA and is willing to take corrective actions to keep TAA on a strategic path that is ethical and sustainable.

B. Membership of those charged with governance.

The Board of Directors which consists of the Chairman and six (6) other members, is established under Section 7 of the Tanzania Airports Act No. 8 of 2024. The Chairman of the Board is appointed by the President of the United Republic of Tanzania, and the Board Members are appointed by the Minister of Transport.

TAA is devoted to the principles of effective corporate governance. The Board has three committees namely Corporate Services, Operations and Technical Services, and Audit, Risk and Compliance. The Committees are accountable to the Board. The Board Committees have

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specific purpose, roles, duties and responsibilities for the effective oversight for the TAA's functions.

The Board Members who served TAA during the financial year under review are shown in Table below.

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Table 6: Members of the Board

SN	Name	Gender	Position	Nationality	Qualification	Age	Appointment	Resignation	Meetings attended
1	Mr. Juma Hassan Fimbo	Male	Chairman	Tanzanian	Master's of Business Administration	68	17-Machi-2024	16 Machi-2028	1
2	Ms. Sylvia Novatus Matiku	Female	Member	Tanzanian	Master's in international commercial law		17-Machi-2024	16 Machi-2028	-
3	Eng. Baraka John Mwambage	Male	Member	Tanzanian	Masters of Engineering (Civil)	49	17-Machi-2024	16 Machi-2028	1
4	Mr. Meshack Joram Anyingisye	Male	Member	Tanzanian	MSc. Development of Economics and Policy	46	17-Machi-2024	16 Machi-2028	1
5	Mr. Plasduce Mkelu Mbossa	Male	Member	Tanzanian	Master's of Laws (LLM) & MBA Corporate	45	17-Machi-2024	16 Machi-2028	-
6	Mr. Biseko Paul Chiganga	Male	Member	Tanzanian	MBA (Transport & Logistics Management)	50	17-Machi-2024	16 Machi-2028	1
7	Ms. Mozzah Salim Mauly	Female	Member	Tanzanian	Bachelor's degree in Business and Tourism	49	17 Machi 2024	16 Machi 2028	1
8	Mr. Abdul Athumani Mombokaleo	Male	Director General (Secretary)	Tanzanian	MSc in IT	50	2024	2028	1

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The Board is required to meet at least four (4) times a year. In the year ended 30th June 2025 the Board managed to meet only once because its inception and inauguration came in the end of the third quarter of the reported financial year. TAA Management may be invited to attend board meetings to facilitate the effective control of all the TAA's operational activities, acting as a medium of communication and coordination on various business units.

The Board Special meeting, during the financial year under review, discussed and deliberated on the following:

- TAA Medium Term Strategic Plan
- TAA Revised Strategic Plan 2021/22 - 2025/26
- Proposal for establishment of Subsidiary Company under the Tanzania Airports Authority
- Board Charter
- Board Committees proposal
- TAA's plan for Self-sustainability and Reducing Dependency to the Government

C. Committees of those charged with governance:

To ensure a high standard of corporate governance throughout the Authority, TAA has four (4) Committees:

i) Tender Board

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

Table 7: Members of the Board SN	Name	Gender	Position	Nationality	Appointment/ Resignation
1	CPA. Shadrack Chilongani	Male	Chairperson (Director of Finance and Business)	Tanzanian	05 June, 2024
2	Mr. Jonatas Zimpungulu	Male	Member (Ag. Director of Human Resources and Administration)	Tanzanian	05 June, 2024
3	Eng. Lewis Mtoi	Male	Member (Manager of ICT)	Tanzanian	05 June, 2024
4	Eng. Focus Kadegehe	Male	Member (Ag. Director of Engineering and Technical Services)	Tanzanian	05 June, 2024
5	Eng. Barton Komba	Male	Member (Manager Security)	Tanzanian	05 June, 2024
6	Mr. Nasib Elias	Male	Member (Ag. Manager Planning and Statistics)	Tanzanian	05 June, 2024

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS
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Table 7: Members of the Board SN	Name	Gender	Position	Nationality	Appointment/ Resignation
7	Eng. Rehema Myeya	Female	Member (Director - JNIA)	Tanzanian	05 June, 2024
8	Mr. Jones Igembe	Male	Secretary (Head of Procurement Management Unit)	Tanzanian	

i. Meetings of the Tender Board:

For the Financial year ended 30 June 2025, TAA Tender Board pursued its functions as per Section 34 of Public Procurement Act 2023, and conducted four (4) ordinary meeting. The Tender Board meetings, during the financial year under review, discussed and deliberated on the following main issues:

- (i) Development of a four-star hotel with its associated facilities at JNIA under PPP arrangements;
- (ii) Supply and installation of security fence at Dodoma Airport and JNIA.
- (iii) development of a complex and its associated facilities at JNIA under PPP arrangements.
- (iv) development of a four-star hotel and Convention centre at Arusha Airport;
- (v) Construction of New VIP Terminal Building at Kilimanjaro International Airport;
- (vi) Approval of submitted tender documents and Methods of procurement.
- (vii) Approval of various submitted Evaluation recommendations.
- (viii) Approval of negotiation minutes.
- (ix) Deliberation on the submitted micro procurements; and
- (x) Adaptation of decisions of circular resolutions

ii. Integrity Committee

During the year members of Integrity Committee are as stipulated in the Table 9 below:

Table 8: Members of the Integrity Committee

S/N	NAME	Gender	Position	Status	Appointment date
1.	CPA. Bethuel Moshi	Male	Principal Accountant	Chairperson	30/05/2024
2.	Mr. Priscus Mkawe	Male	Principal HRO	Secretary	30/05/2024
3.	Ms. Anna Mpesa	Female	Senior Legal Officer	Member	30/05/2024
4.	Ms. Margreth Semkiwa	Female	Principal Air traffic Management Officer	Member	24/05/2024
5.	CPA Rehema Urungu	Female	Senior Accountant	Member	30/05/2024

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This Committee is responsible for ensuring compliance with National Anti- Corruption Strategy and Implementation Plan Phase Four 2023-2030. In the financial year under review the Committee continues implementing its Strategic objectives as follows;

- (i) Integrity committee for HQ and Sub Integrity committees were formed at six airports (JNIA, Dodoma, Kigoma, Songwe, Mwanza, and Arusha) and HQ
- (ii) A total number of 183 staff were trained on Ethics and anticorruption strategy to Public Servants from TAA HQ, JNIA, Arusha, Mwanza, Songwe, Dodoma and Kigoma.
- (iii) Follow-ups on Installation of CCTV cameras at major airports as part of implementation of Phase III of National Anticorruption Strategy
- (iv) Awareness materials (posters and brochures) for preventing and combating corruption were provided at Julius Nyerere International Airport.

For the Financial year ended 30 June 2025, TAA Integrity Committee pursued its functions and conducted four (4) ordinary meetings.

iii. 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.

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 attain in value delivery
- iv. To ensure all ICT-related risks are professionally managed, this includes reviewing and approving institutional disaster recovery plan and ensuring its effective implementation
- v. To ensure e-Government guidelines and standards are implemented by institution 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
- 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

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- x. To perform such other functions as may be directed by the Accounting Officer or Authority.

Table 9: ICT Steering Committee MembersS/N	NAME	DESIGNATION	POSITION	APPOINTMENT DATE	NATIONALITY
1	Abdul A. Mombokaleo	DG	Chairman	08/09/2024	Tanzanian
2	Eng. Focus Kadeghe	Ag.DETS	Member	07/01/2025	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. Jones Igembe	HPMU	Member	07/01/2025	Tanzanian
9	Amina Nassoro Mwamtuya	Principal ICTO -II, MoT	Member	19/06/ 2025	Tanzanian
10	CPA. Irene Sikumbili	Chief Internal Auditor	Member	16/10/2020	Tanzanian

During the year 2024/2025 the Committee has ensured alignment of ICT with organization's business needs to meet planned initiatives to facilitate the achievement of organization's strategic objectives, monitoring and evaluation of institutional ICT projects, prepare and submit quarterly e-Government progress reports to the e-Government Authority.

The Steering Committee meetings, during the financial year under review, managed to conduct three ordinary meetings against four planned meetings. The QTR 4 meeting to be held before the end of July 2025. The Committee discussed, deliberated, reviewed and approved on the following:

- (i) ICT Steering Committee annual meeting calendar;
- (ii) Revised ICT Policy;
- (iii) Revised ICT Security Policy;
- (iv) Revised Disaster Recovery Plan
- (v)

THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

- (vi) Revised ICT Strategy.
- (vii) Newly developed ICT Development, Acquisition, Operation and Maintenance Procedure.
- (viii) ICT Project management guidebook.
- (ix) Operational level agreement.
- (x) ICT Asset Preventive Maintenance Plan.
- (xi) Acceptable ICT use Policy.
- (xii) ICT security Governance committee charter.
- (xiii) Development of Integrated Financial Management Information System (IFMIS)
- (xiv) Quarterly ICT Project Status reports for ongoing and completed projects.
- (xv) ICT budget for FY 2025/2026
- (xvi) ICT initiatives for the year 2024/2025 and 2025/2026
- (xvii) Plan for capacity buildings through trainings and staff benchmarking.
- (xviii) ICT Risk register.
- (xix)

Table 10: Status of ICT Projects

SN	PROJECT NAME	STATUS AS AT 30 June 2025
1.	Car Parking Management System (Mwanza and Dodoma)	Dodoma and Mwanza airports Car parking Projects completed on 25/05/2023 while DLP completed on July 25 th 2024.
2.	Installation of ICT Systems at Arusha Airport (CCTV, LAN, IPTV, PA Systems)	• Project Completed on 30th November 2023 • DLP completed on 1st December 2024
3.	Enhancements of Car Parking System at JNIA TBIII for: - • Integration with GePG. • Prepaid through Auto pay, • Mobile payment enhancement completed	Completed in 23 rd May 2025
5.	Extension of e-Office at Regional Airports (Dodoma, Kigoma, Songwe, Mwanza, Arusha and Mtwara)	Completed on 21 st March 2024, System under service and maintenance for Three Year (21 st March 2024 to 21 st March, 2027).
6.	Extension of AMIS of at ARUSHA, DODOMA, BUKOBA and SONGWE Airports.	Project completed at ARUSHA, DODOMA, BUKOBA and SONGWE Airports since February 2025.
7.	Improvement of LAN at Arusha Airport.	The project started on 26 th May 2025. To be completed in September 26 th 2025.

iv) 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.

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The Audit Committee is constituted by the members under Table below

Table 11: Members of the Audit Committee

SN	Name	Qualifications	Position	Appointment
1	Ms. Anna Mhere	CPA(T), B.Com, MBA	Chairperson	21/05/2024
2	Mr. Wenceslaus Mkenganyi	CPA(T), Advanced Diploma in Accountancy	Member	21/05/2024
3	Mr. Emmanuel Rhobi	Master's in business administration, Bachelor of Arts.	Member	21/05/2024
4	Ms. Bertha Bankwa	Masters (International Business Management), bachelor's in political science and public administration	Member - Internal	21/05/2024 - 30/10/2024
5	Adv. Pamela Mugarula	Degree of Master of Laws (economic law) Bachelor of Laws.	Member - Internal	21/05/2024- 30/10/2024
6	Ms. Tumaini Mgya	MBA- Finance	Member	30/12/2024
7	Mr. Reginald Taabu	BBA (LSM), MBA, CPSP	Member	11/12/2024
8	Adv. Kenedy Johanes	PGD in Legal Practice, Bachelor of Laws (L.LB)	Secretary	21/05/2024

Table 12: Newly Appointed Audit Committee Members

SN	Name	Qualifications	Position	Appointment
1	Mr. Meshack J. Anyingisye	Msc. Economics, Bsc. Economics	Chairperson	19/03/2025
2	Baraka J. Mwambage	Bsc. Civil Eng. master's in engineering	Member	19/03/2025
3	Mr. Reginald Taabu	BBA(LSM), MBA, CPSP	Co - Opted Member	18/06/2025
4	Ms. Margareth Kahurananga	CPA (T) BCom, MBA	Co - Opted Member	18/06/2025
5	Pendo A. Mwakisese	CPA(T), Advanced Diploma in Accountancy, MBA	Co - Opted Member	18/06/2025
6	Adv. Kenedy Johanes	PGD in Legal Practice, Bachelor of Laws (L.LB)	Secretary	18/06/2025

During the year 2024/25 the Committee held two (2) extra ordinary meetings before end of their tenure where one was meant for reviewing the draft financial statements for FY 2024/25 and the other was for reviewing the management letter for the CAG audit for FY 2023/24

D. Environmental and Occupational Health and Safety Management

TAA developed and implemented Integrated Management System Policy (IMS) which comprises Quality Management System (ISO 9001:2015), Environmental Management System (ISO 14001:2015) and Occupational Health and Safety Management System (ISO 45001:2018).

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The Environmental Management System and Occupational Health and Safety Management System address environmental pollution, local air quality, noise management, waste management, climate change, occupational hazards and accidents and to monitor contractors and suppliers to ensure their operations do not jeopardize the quality, safety and environmental standards of airports. The following are the implementation of the IMS at airports: -

i. Environmental Management System:

TAA has managed to construct one garbage transfer station at Mafia airport to improve solid waste management system as required by the National Solid Waste Management Strategy, 2018. To meet requirements of the Environmental Management (Amendment) Act, 2025 and The Environmental Impact Assessment and Audit (Amendment) Regulations, 2018, TAA managed to conduct an Initial Environmental Audit at Geita airport which is in progress. Monitoring of Environmental and Social Management Plan (ESMP) were conducted at Julius Nyerere International Airport, Mafia, Kilwa Masoko, Lindi, Mtwara, Nachingwea, Songea, Iringa, Songwe, Mwanza, Bukoba, Geita, Kahama, Dodoma, Tanga, Lake Manyara, Morogoro, Sumbawanga, Kahama, Shinyanga, Musoma, Mpanda, Tabora, Arusha and Moshi airports. Moreover, build the capacity of Airport staff on environmental management, 106 staff from Songwe, Arusha, Mwanza, Dodoma and Kigoma airports were provided with environmental management awareness training on November, February and May 2025 respectively. Also 2 staff attended awareness training on drinking water quality standards at TBS and 2 staff on 4 -5 March 2025.

ii. Occupational Health and Safety Management System:

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; 116 staff from Julius Nyerere International Airport, headquarter, Songwe, Arusha, Mwanza, Dodoma and Kigoma airports were capacitated with Occupational Health and Safety awareness training on September 2024; October, 2024; November, 2024; February, 2025 and May, 2025 respectively as well as 2 staff were capacitated with National Occupational Health and Safety course (Module II) on November, 2024 and May, 2025 respectively. To environmental health protection, TAA conducted water quality monitoring for potable water from sixteen (15) TAA owned boreholes (JNIA (7), Mafia (1), Arusha (1), Songea (2), Lake Manyara (1), Kigoma (1), Dodoma (1), Mpanda (1) and 4 wastewater treatment systems at JNIA, Mwanza, Songwe and Bukoba.

E. Employee's welfare

i. Management and Employees' Relationship

There were continued good relation between employees and management for the year ended 30th June 2025. There were no any material unresolved complaints received by Management

THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

from the employees during the year. A healthy relationship continues to exist between Management and Tanzania Union of Government and Health Employees (TUGHE).

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

TAA promoted 66 employees, re-categorized fifty four (54) employees, and confirmed 74 employees; Conducted two (2) Master worker's councils; and provided supportive services to people living with HIV/AIDS.

ii. Training

For the financial year ended 30 June, 2025, TAA spent TZS 3.559 billion for staff training on Airport operation courses, Business management, financial management and administration courses in order to improve employee's technical skills for efficiency and effective execution of their duties.

55 Staff were trained on long course which includes diploma and bachelor's degree to improve their working capability on implementing their targeted goals and ensure proper qualification of their substantive post. Long term course costs Tanzania Airports Authority TZS 70.769 million.

951 Staff were trained on short Course which improved their working capability on implementing their targeted goals. TAA spent a sum of TZS 3.488 billion on short term course both local and international training.

iii. Persons with Disabilities

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

We have 4 physically challenged staff who are supported by special infrastructures needs to meet their daily living and supported by special treatment to balance their living. In the year ended 30 June 2025 TAA spent TZS 8.66 million as monthly support to this group.

iv. Gender Parity

Policies exist to maintain gender balance based on qualifications and ability. TAA had 1091 employees, out of which 358 were female and 733 were male.

v. Medical Assistance

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

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vi. Related Party Transactions

Details of transactions with related parties and outstanding balances as at the reporting date are disclosed in Note 95 of the financial statements. All transactions with related parties were undertaken on arm's length basis.

F. Social and Community issues

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 others. TAA 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, security and health sectors worth TZS 150.5.4 Million.

G. Concession arrangements

TAA 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.

Table 13: Concession arrangements list

S/N	OPERATOR	DETAILS	DURATION OF OPERATION (YEARS)	End period
1	Air Freight Services Ltd	Construction of Cargo Warehouse at JNIA	14	19 June 2027
2	Swissport Tanzania Ltd	Construction of Cargo Warehouse at JNIA	15	21 April, 2028
3	Precision Air Services Ltd	Construction of Aircraft maintenance hangar at JNIA	15	14 February, 2030
4	Everett Aviation Ltd	Helicopter maintenance hangar at JNIA	15	31 December 2028
5	Prime Regional Supplies Limited	Construction of Aviation Fuel Facilities Lake Manyara Airport	10	20th April, 2030
6	Prime Regional Supplies Limited	Construction of Aviation Fuel Facilities Tanga Airport	10	22nd April, 2030
7	Lake Oil Company Limited	Construction of Aviation Fuel Facility at Julius Nyerere International Airport	10	14 May 2033

The ongoing Airport Infrastructure Development to meet market demand opens the commercial activities in Airports that requires capitalization. The Concession Policy is a tool used to ensure that TAA balance the need of supply and demand of concessions and facilities within Airports in compliance with National and International standards. The policy enables

THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

TAA to ensure Concessions and rentals are fairly charged, promptly and adequately remitted as per agreements.

11. APPOINTMENT OF AUDITORS

Article 143 of the Constitution of the United Republic of Tanzania of 1977 and section 10 of the Public Audit Act, Cap 418 mandates the Controller and Auditor General (CAG) as the statutory auditor of all public sector entities including Tanzania Airports Authority (TAA).

12. RESPONSIBILITY OF THE AUDITOR

The Controller and Auditor General has a statutory responsibility to report to the stakeholders as

to whether, in his opinion, the financial statements of TAA present fairly the financial position, financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard, the Tanzania Financial Reporting Standard (TFRS 1) and in the manner required by the Tanzania Airports Authority establishment order. And whether the procurement transactions and processes have complied with the requirements of the Public Procurement Act No.7 of 2023.

13. STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

Those Charged with Governance accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements. Furthermore, those Charged with Governance accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Public Sector Accounting Standards (IPSAS), the Public Finance Act, Cap. 348 and NBAA's Pronouncements, therefore, Those Charged with Governance are of the opinion that the Financial Statements of TAA give a true and fair view of TAA's state of financial affairs and of its operating results for the year ended 30 June 2025. Nothing has come to the attention of those charged with the Governance to indicate that the Government of the United Republic of Tanzania shall wind up the operations of the Authority, thus, not to remain a going concern for at least the next twelve months from the date of this statement.

14. POLITICAL AND CHARITABLE DONATIONS

TAA did not make any political donations during the year ended 30 June 2025. Donations were made as part of corporate social responsibility to institutions and charitable organizations to acknowledge the TAA's responsibility to community social needs. During the financial year ended 30 June 2025, TAA spent TZS 150.1 million to support social and economic development initiatives implemented throughout the country.

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The list of beneficiaries on corporate social responsibility funds for the financial year 2024/25 is provided hereunder

Table 14: List of CSR beneficiaries

S/N	Beneficiary's Name	Amount (TZS)	Purpose
1	AMO Foundation contribution of TZS	5,000,000	Sponsorship to support a special empowerment program and the Youth at Work Summit
2	Small Hands, Big Change Association	4,000,000	Partnership in Environment Week 2025 by the purchase of T-shirts to be used during the tree planting exercise at Julius Nyerere International Airport
3	Nguvumali Secondary School in Tanga	5,000,000	Donation of 50 bags of cement to support the improvement of education initiatives.
4	Uhuru Media	5,000,000	Sponsorship for a special publication on the implementation of the party manifesto (2020-2025) during the Chama Cha Mapinduzi General Meeting
5	Tanzania Albinism Association	3,000,000	Commemoration of the International Albinism Awareness Day
6	Usongwe Secondary School	2,000,000	Renovate two classrooms whose roofs were blown off by the wind
7	Miyenze, Igalula Constituency	5,000,000	Construction of a health centre
8	Tanga Region	3,000,000	Financial support to facilitate the Presidential visit
9	Saidia Jamii Kuishi (SAJAKU)	5,000,000	To empower women and youth entrepreneurship groups in Nanyamba
10	Red Cross Tanzania	5,000,000	Support for the 2025 World Red Cross Day
11	JUWAYAZA	2,000,000	Request for medical assistance for elderly citizens
13	Tulia Trust	5,000,000	Sponsorship of the Marathon
14	TPA	5,000,000	Sponsorship of the Marathon 2024
15	Mikindani Constituency	16,500,000	Support iron sheets for health centres
16	Teachers' Association in Dar es Salaam	5,000,000	Procurement of desks for the teachers' Office

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S/N	Beneficiary's Name	Amount (TZS)	Purpose
17	Nanyumbu Consistency	10,000,000	Support iron sheets for health and education centres
19	Handeni District	10,000,000	Purchase of equipment to support the education sector
20	Arusha Regional Office	15,000,000	Purchase of Gas for Teachers to Promote Clean Energy and Environmental Safety.
21	Pwani Regional Office	20,000,000	Sponsorship of the 4th Bibi Titi Memorial Symposium 2024
22	Iringa Region	15,000,000	To support education initiatives
	TOTAL	150,500,000	

15. PEOPLE WITH SPECIAL NEEDS

TAA is an equal opportunity employer, and as a matter of policy, recruitment processes are transparent and competitive. In case of employment of people with special needs, the application will be considered bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, efforts shall be made to ensure that their employment with TAA continues and appropriate training is arranged. It is the policy of TAA that training, career development and promotion for people with special needs should, as far as possible, be identical to that of other employees.

16. PREJUDICIAL ISSUES

The prejudicial issues during the reporting financial year included ongoing cases at various courts of law. A total of nine (9) cases for and against TAA are in courts of law i.e. Dar es Salaam five (5) cases, Arusha- two (2) cases and Moshi (2). Whereby nine (9) cases in courts of law were litigated, three (3) cases are pending in the Court of Appeal, and six (6) cases are pending in the High Court of Tanzania. Case status report is provided under the table below: -

Cases status report by 30 June 2025

S/N	COURT & CASE NO	PARTIES	AMOUNT OF CLAIM AGAINST TAA (TSH.)	STATUS
1.	IN THE EAST AFRICAN COURT OF JUSTICE AT ARUSHA FIRST INSTANCE DIVISION REFERENCE NO. 23 OF 2024	Andrea Zakayo Mungure and 5 Others Vs Attorney General	NIL	The matter is pending Await scheduling Conference.
2.	IN THE COURT OF APPEAL OF TANZANIA AT DAR ES SALAAM	Elizabeth Simon Mwakapangala Vs. TAA and 2 Others	200,000,000	The matter is pending await records of the High Court i.e. court proceeding. records of appeal have been requested, and

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S/N	COURT & CASE NO	PARTIES	AMOUNT OF CLAIM AGAINST TAA (TSH.)	STATUS
				reminder letter has been issued.
3.	HIGH COURT DSM DISTRICT REGISTRY CIVIL CASE NO. 76/2023	Martin air Holland N.V & Another Vs. TAA & Others	1,894,912,744.20	The matter is pending await a hearing date
4.	IN THE COURT OF APPEAL OF TANZANIA AT DAR ES SALAAM	Ilala Municipal Council Tanzania Airport Authority and Attorney General vs Sylvester J. Mwambije	12,000,000	The matter is pending await records of the High Court i.e. court proceeding. records of appeal have been requested, and reminder letter has been issued.
5.	IN THE HIGH COURT OF TANZANIA AT MOSHI LAND DIVISION Land Case No. 21950 of 2024	Issa Rajabu Mgala & 317 others Vs TAA and others	NIL	The matter is pending for mention
6.	IN THE HIGH COURT OF TANZANIA LAND DIVISION AT ARUSHA LAND CASE NO. 30961 OF 2024	Andrea Zakayo Mungure & Others VS Director General, Tanzania Airports Authority & Others	NIL	The matter is scheduled for hearing
7.	IN THE HIGH COURT OF TANZANIA LAND DIVISION AT DAR ES SALAAM MISC. LAND APPLICATION NO. 3882 OF 2025	Arabu Kassim Tongo VS Tanzania Airports Authority & Others	NIL	The matter is scheduled for hearing
	TOTAL		2,106,912,744.20	

17. STATEMENT OF COMPLIANCE

The Report by Those Charged with Governance is prepared in compliance with the new Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) as issued by the National Board of Accountants and Auditors (NBAA) and became effective from 1 January 2021. The TAA's financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSAS) Accrual basis of Accounting as issued by the International Public Sector Accounting Standards Board (IPSASB).

18. APPROVAL

These financial statements for the year ended 30 June 2025 were authorised for issue on or before 31 March 2026 by the Board of Directors, following the tabling of the Controller and

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Auditor General's annual audit report to the National Assembly of the United Republic of Tanzania:

Mr. Juma Hassan Fimbo
Board Chairman

Signature: 

Date: 

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DECLARATION BY DIRECTOR OF FINANCE AND ACCOUNT

The National Board of Accountants and Auditors (NBAA) according to the power conferred under The Accountants and Auditors (Registration) Act, (cap. 286) GN: no. 1 of 2024 requires financial statements to be accompanied with a declaration issued by the Director of Finance and Account responsible for the preparation of financial statements of entity concerned.

It is the duty of professional Accountants to assist the Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity 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 Those Charged with Governance stated on page 71.

I CPA, Shadrack Chilongani being the Director of Finance and Account of Tanzania Airports Authority hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2025 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and the Public Finance Act of 2001 RE 2020 requirements.

I thus confirm that the financial statements present fairly in all material aspects, the Financial Position of Tanzania Airports Authority as at 30 June, 2025, and its Financial Performance and Cash Flows for the year ended have been prepared based on properly maintained financial records.

Signed by:
ACPA. FRANCIS TUMAINI ANATOLI

Signature:
Position: Director of Finance and Account

NBAA: Membership No: ACPA 5712

Date: 30 August, 2025

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

DECLARATION BY DIRECTOR OF FINANCE AND ACCOUNT

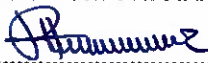
The National Board of Accountants and Auditors (NBAA) according to the power conferred under The Accountants and Auditors (Registration) Act, (cap. 286) GN: no. 1 of 2024 requires financial statements to be accompanied with a declaration issued by the Head of Finance and Account responsible for the preparation of financial statements of entity concerned.

It is the duty of professional Accountants to assist the Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity 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 Those Charged with Governance stated on page 71.

I CPA, Francis Anatoli being the Manager of Finance and Account of Tanzania Airports Authority hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2025 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and the Public Finance Act of 2001 RE 2020 requirements.

I thus confirm that the financial statements present fairly in all material aspects, the Financial Position of Tanzania Airports Authority as at 30 June, 2025, and its Financial Performance and Cash Flows for the year ended have been prepared based on properly maintained financial records.

Signed by:
ACPA. FRANCIS TUMAINI ANATOLI

Signature: 
Position: Manager of Finance and Account

NBAA: Membership No: ACPA 5712

Date: 20 March, 2026

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

		TZS 2025	RESTATED TZS 2024
ASSETS			
Current Asset	Note		
Cash and Cash Equivalents	62	14,328,895,191	4,776,328,847
Inventories	70	169,948,614	805,054,584
Prepayments	69	54,984,019	33,063,239
Receivables	67	21,201,629,144	12,588,702,144
Total Current Asset		35,755,456,968	18,203,148,814
Non-Current Asset			
Property, Plant and Equipment	77	7,936,984,154,251	7,974,836,481,886
Intangibles Assets	78	21,431,212	42,232,093
Work In Progress	82	116,396,303,994	113,306,558,137
Total Non-Current Asset		8,053,401,889,456	8,088,185,272,117
TOTAL ASSETS		8,089,157,346,424	8,106,388,420,931
LIABILITIES			
Current Liabilities			
Deferred Income	93	11,159,976,626	509,389,043
Deposits	94	522,028,043	762,875,521
Payables and Accruals	89	136,684,305,170	155,651,972,808
Total Current Liabilities		148,366,309,839	156,924,237,372
Non-Current Liabilities			
Other Borrowings by Government Entities	102	11,878,524,138	30,741,645,852
Total Non-Current Liabilities		11,878,524,138	30,741,645,852
TOTAL LIABILITIES		160,244,833,977	187,665,883,224
Net Assets		7,928,912,512,447	7,918,722,537,707
NET ASSETS/EQUITY			
Capital Contributed by:			
Taxpayers/Share Capital		6,435,234,340,697	6,435,234,340,697
Accumulated Surpluses / Deficits		1,493,678,171,750	1,483,488,197,009
TOTAL NET ASSETS/EQUITY		7,928,912,512,447	7,918,722,537,706

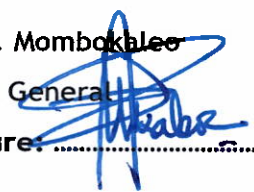
Mr. Juma Hassan Fimbo

Board Chairman

Signature: 

Abdul A. Mombokale

Director General

Signature: 

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Note	TZS	RESTATED TZS
REVENUE			
Revenue			
Revenue from Exchange Transactions	17	84,053,546,675	79,334,379,523
Revenue Grants	16	18,225,004,160	338,479,492,588
Other revenue	31	15,011,849,197	15,199,216,934
Fair value Gains on Assets and Liabilities	24	0	380,551,002
Subvention from other Government entities	32	51,091,178,208	37,191,322,013
TOTAL REVENUE		168,381,578,240	470,584,962,060
EXPENSES AND TRANSFERS			
Expenses			
Depreciation of Property, Plant and Equipment	37	47,358,009,222	43,356,927,776
Impairment of Intangible Assets	38	20,800,882	20,800,882
Interest Expenses	42	1,597,674,709	2,659,099,127
Loss on Disposal of Assets	44	272,405,839	17,851,910
Loss on Foreign Currency Translation	45	309,106,576	3,445,332,452
Expected Credit Loss	54	6,483,956,936	6,569,594,409
Maintenance Expenses	36	14,780,487,894	13,894,037,327
Other Expenses	52	5,212,168,382	2,811,987,636
Use of Goods and Service	35	38,890,756,831	33,984,375,447
Wages, Salaries and Employee Benefits	34	42,351,722,815	33,926,022,279
Total Expenses		157,277,090,087	140,686,029,244
Transfer			
Other Transfers	60	914,513,413	8,421,323,915
Total Transfer		914,513,413	8,421,323,915
TOTAL EXPENSES AND TRANSFERS		158,191,603,500	149,107,353,159
Surplus / Deficit		10,189,974,740	321,477,608,901

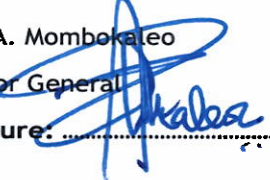
Mr. Juma Hassan Fimbo

Board Chairman

Signature: 

Abdul A. Mombokateo

Director General

Signature: 

THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 30 JUNE, 2025

	Tax Payer's Fund TZS	Accum. Surplus/(Deficit) TZS	Total TZS
Opening Balance as at 01 Jul 2024	6,435,234,340,697	1,483,488,197,009	7,918,722,537,706
Addition Capital Injected	0	0	0
Other Reserve	0	0	0
Other Appropriations	0	0	0
Minority Interest	0	0	0
Surplus/ Deficit for the Year	0	10,189,974,740	10,189,974,740
Closing Balance as at 30 Jun 2025	6,435,234,340,697	1,493,678,171,750	7,928,912,512,447
Opening Balance as at 01 Jul 2023	6,435,234,340,697	827,756,917,631	7,262,991,258,328
Addition Capital Injected	0	0	0
Other Reserve	0	0	0
Other Appropriations	0	334,253,670,478	334,253,670,478
Minority Interest	0	0	0
Surplus/ Deficit for the Year	0	321,477,608,901	321,477,608,901
Closing Balance as at 30 Jun 2024	6,435,234,340,697	1,483,488,197,009	7,918,722,537,706

Mr. Juma Hassan Fimbo

Board Chairman

Signature: 

Abdul A. Mombokato

Director General

Signature: 

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	TZS 2025	RESTATED TZS 2024
CASH FLOW FROM OPERATING ACTIVITIES		
RECEIPTS		
Revenue Grants	79,966,769,951	44,421,768,485
Revenue from Exchange Transactions	68,994,636,185	15,199,216,934
Other revenue	15,011,849,197	71,339,891,955
Increase in Deposit	0	0
Total Receipts	163,973,255,333	130,960,877,373
PAYMENTS		
Wages, Salaries and Employee Benefits	42,377,964,615	33,902,319,367
Use of Goods and Service	37,153,026,148	36,135,441,970
Other Transfers	914,513,413	8,421,323,915
Other Expenses	5,212,168,382	2,811,987,637
Maintenance Expenses	14,780,487,894	13,894,037,327
Interest Expenses	1,597,674,709	2,659,099,126
Decrease in Deposit	240,847,478	7,906,589,911
Total Payments	102,276,682,639	105,730,799,253
NET CASH FLOW FROM OPERATING ACTIVITIES	61,696,572,694	25,230,078,121
CASH FLOW FROM INVESTING ACTIVITIES		
Investing Activities		
Payment for Work in Progress	(5,001,150,767)	(3,569,906,600)
Advance Payment for Acquisition of Property Plant and Equipment	0	0
Acquisition of Property, Plant and Equipment	(27,733,381,993)	(25,575,421,589)
Total Investing Activities	(32,734,532,760)	(29,145,328,189)
NET CASH FLOW FROM INVESTING ACTIVITIES	(32,734,532,760)	(29,145,328,189)
CASH FLOW FROM FINANCING ACTIVITIES		
Cash proceeds from other short or long-term borrowings	(19,172,228,289)	(16,076,954,407)
Total Financing Activities	(19,172,228,289)	(16,076,954,407)
NET CASH FLOW FROM FINANCING ACTIVITIES	(19,172,228,289)	(16,076,954,407)
Net Increase	9,789,811,644	(19,992,204,476)
Cash Surrendered to Holding Account	0	0
Effect of foreign currency changes	0	0
Cash and cash equivalent at beginning of period	4,791,569,066	24,783,773,542
Cash and cash equivalent at end of period	14,581,380,711	4,791,569,066

Juma Hassan Fimbo
Board Chairman

Signature:

Date: 20/03/2026

Abdul A. Mombokaleo
Director General

Signature:

Date: 20/03/2026

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

STATEMENTS OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2025

	TZS	TZS	TZS	TZS	TZS
	Original Budget	Reallocations/Adj ustments	Final Budget (B)	Actual Amount on Compari son Basis (A)	Different Final Budge t & Actual (B-A)
RECEIPTS					
Revenue Grants	16,447,288,000	0	16,447,288,000	18,225,004,160	(1,777,716,160)
Other Revenue	12,052,840,504	0	12,052,840,504	15,011,849,197	(2,959,008,693)
Revenue from Exchange Transactions	151,577,406,002	0	73,816,941,782	68,994,636,185	4,822,305,597
Subvention from other Government entities	105,311,621,980	0	105,805,370,00 0	61,741,765,792	43,569,856,188
Total Receipts	285,389,156,486	0	208,122,440,4 86	163,973,255,334	43,655,436,932
PAYMENTS					
Decrease in Deposit	0	0	0	240,847,478	(240,847,478)
Interest Expenses	0	0	0	1,597,674,709	(1,597,674,709)
Maintenance Expenses	22,259,414,768	(4,811,557,397)	17,447,857,371	14,780,487,894	2,667,369,477
Other Expenses	7,849,525,583	(402,020,509)	7,447,505,074	5,212,168,382	2,235,336,692
Other Transfers	1,377,257,200	0	1,377,257,200	914,513,413	462,743,787
Use of Goods and Service	85,871,706,792	(1,213,851,399)	84,657,855,393	57,019,725,626	27,638,129,768
Wages, Salaries and Employee Benefits	63,821,214,710	1,716,855,963	65,538,070,673	42,377,964,615	23,160,106,058
Acquisition of Investment Property	0	0	0	0	0
Acquisition of Property, Plant and Equipment	41,766,473,281	4,710,573,342	46,477,046,623	25,512,388,614	20,964,658,009
Payment for Acquisition of Intangible Assets	0	0	0	63,032,975	(63,032,975)
Payment for Work in Progress	0	0	0	5,001,150,767	(5,001,150,767)
Proceed from sale of PPE	0	0	0	0	0
Additional Capital	0	0	0	0	0
Cash proceeds from other short or long-term borrowings	0	0	0	19,172,228,289	(19,172,228,289)
Total Payment	222,945,592,335	0	222,945,592,3 35	171,892,182,762	51,053,409,573
Net Receipts/Payme nts	62,443,564,151	0	(15,316,900,0 69)	(7,918,927,428)	(7,397,972,641)

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

In accordance with the requirements of IPSAS 24 - Presentation of Budget Information in Financial Statements, the difference on figures of budget vs actual caused by the following reasons.

Variance Explanation: Subvention from Other Government Entity

The variance between the budgeted and actual amounts under the item Subvention from Other Government Entity was significant during the reporting period. TZS 105,311,621,980 was according to the approved budget, but Tanzania Airports Authority (TAA) anticipated receiving a specific allocation from the Central Government to support key operational and development activities. However, the actual funds received were TZS 61,741,765,792 which is substantially lower than budgeted. This shortfall was primarily due to delayed disbursements and partial release of funds from the Central Government, often caused by fiscal pressures at the national level and the reprioritization of funds to other critical sectors during the financial year.

Variance Explanation: Use of Goods and Services

The underspending observed under the Use of Goods and Services category during the reporting period was primarily due to delays in the submission of essential payment documents by suppliers. While procurement processes were initiated and service delivery in some cases was completed, the inability of suppliers to timely submit valid invoices, delivery notes, and supporting documentation led to postponed disbursements and, consequently, lower than budgeted actual expenditures. These delays not only affected the financial execution but also pushed some obligations into the subsequent financial period, resulting in outstanding commitments at year end. Also, variance caused by low disbursement of fund from Ministry of finance to TAA for operational activities.

Variance Explanation: Wages, Salaries and Employee Benefits

The variance observed under Wages, Salaries and Employee Benefits, where the budgeted amount exceeded the actual payments made during the financial year, was mainly due to delays in the recruitment process for new employees. The approved budget included provisions for additional staff positions expected to be filled during the financial year, with corresponding salary and benefit allocations. However, the recruitment process has not yet been finalized, as it is still under review by the Public Service Recruitment Secretariat (Ajira Secretariat). As a result, the anticipated wage and benefit payments for the new employees were not incurred, leading to actual spending being lower than the budgeted amount.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1. GENERAL INFORMATION

Tanzania Airports Authority (TAA) was established under the Executive Agencies Act No. 30 of 1997 through a Government Notice Number 404 of 29 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 Transport. The operation of TAA is vested on the Ministerial Advisory Board appointed by the Minister of Transport for a term of three years. The day to day running of the affairs of TAA is vested on the Director General. The head office of TAA is located at Julius Nyerere International Airport, Terminal I.

PLACE OF BUSINESS.

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

PARENT MINISTRY

Ministry of 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.
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

LAWYERS

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

AUDITOR

National Audit Office,
Audit House, 9 Mahakama Road,
P.O. Box 950,
41101 Tambukareli,
Dar-es Salaam, Tanzania.

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 2020) 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 2024/2025 were presented by nature.

3. AUTHORIZATION DATE

These financial statements for the year ended 30 June 2025 were authorised for issue on or before 31 March 2026 by the Accounting Officer, following the tabling of the Controller and Auditor General's annual audit report to the National Assembly of the United Republic of Tanzania.

4. REPORTING ENTITY

The Financial Statement is set to present the Tanzania Airport Authority

5. THE IMPACT OF CHANGE IN ACCOUNTING POLICY

The impact of introducing IPSAS 41 is the emergence of Expected credit loss /gain in the Financial Statements by having different Cash and Cash Equivalent figures reported in the Statement of Financial Position and the Statement of Cash flows with Exposure at Default (EAD) (Balance) at the end of the financial year.

The Entity operates with the following Banks with global ratings and Probability of Default (PD) as provided in the table below

No	Name of the Bank	Rating Agency	Score	Probability of Default (PD)
1.	Bank of Tanzania			
2.	CRDB Bank Plc	Moody's	B ₂ +	2.16%
3.	National Microfinance Bank (NMB)	Moody's	B ₁	2.16%

Table 15

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

DESCRIPTION	CASH AND BANK BALANCE	ACCUMULATED SURPLUS	REASON
EXPECTED CREDIT LOSS	6,569,594,409.00	6,569,594,409.00	Change in Accounting Policy

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of previous year in accordance with IPSASs Accrual Basis as explained below:

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 TAA operates (the functional currency). The financial statements are presented in Tanzanian Shillings (TZS), which is TAA 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.

6.1. 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.

6.2. Employment benefits

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

6.3. 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. TAA recognizes the expected cost of performance bonuses only when TAA has a present legal or constructive obligation to make such payment, and a reliable estimate can be made.

THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025

6.4. Revenue recognition

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6.4.1. Grants from Government and Donors

Funds received from the government and Donors are credited to the deferred income and 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 TAA 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.

6.4.2. Revenue from Exchange Transactions

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

Recognition:

6.4.2.1. 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.

6.4.2.2. From rendering of services:

Reference of revenue is 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.

6.4.2.3. For interest, royalties, dividends, fees, charges and rent income:

These are recognized 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 is established.
- Rental income from use of assets and services is recognised 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.

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

1.1. Expenses

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

1.2. 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 a similar nature and use; a difference in the 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 recognised 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.

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.3. Property, Plant and Equipment

Measurements

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, TAA recognises 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. 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

The Entity has adopted the straight-line method for depreciation its assets on the basis that the service provided is consistent throughout and it results in a constant depreciation charge over the useful life of the assets, which is recognised in surplus or deficit of the statement of financial performance. However, the depreciations for the new acquired assets during the year are only charged after attaining a period of one year.

The residual values, useful life of property, plant and equipment are reviewed, and adjusted if appropriate. This is according to the directives of Accounting Circular No. 6 with reference No. EG.3/102/02/03 dated 28/05/2019 on the Preparation of Financial statements.

Reports and Disclosure. Also, through the decision the Government to use the Cost Model technique in charging the depreciation of its assets by extending its expected useful life according to IPSAS 17 para. 67. The useful lives listed below are consistently applied by the Entity in calculating depreciation.

Description of Assets	Useful Life (Years)	Percentage
Building	50	2%
Roads-Runways	20	5%
Furniture and Fittings	10	10%
Motor vehicles	10	10%
Computer and Equipment (Desk tops and Laptops)	8	8%
Photocopiers, shredders, printers, cameras	10	10%
Uninterruptible Power Supplies (UPS)	10	10%
Plant and Machinery	15	5%

Derecognition

An item of property, plant and equipment is removed by the Entity from the financial statements when no future service potential is expected from its use

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

1.4. 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 capitalised development costs, are not capitalised, 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.

1.5. Impairment of non-financial assets

At each reporting date, TAA 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, TAA estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value or its 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 .

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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 an indication exists, TAA estimates the assets 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.

1.6. Financial Instruments Recognition

The Entity recognises financial instruments when it becomes a party to the contractual provisions.

Financial Assets

1.6.1. Initial and Subsequent Measurement

Financial assets are initially measured at fair value and subsequently measured as per the following criteria:

- i. The management model within which the Financial Asset is held.
- ii. The characteristics of contractual cash flows are solely payments of Principal and Interest.

Classification of Financial Assets

Classification is based on the criteria mentioned above, as a result, the following classes of financial instruments arise, namely;

- i. Financial assets at Amortized Cost,
- ii. Financial asset at Fair Value through Net asset/ Equity, and
- iii. Financial asset at Fair Value through Surplus or Deficit.

Financial Assets at Amortized cost

Financial Assets are subsequently measured at Amortized Cost if both of the following conditions are met;

1. The financial asset is held within a management model whose objective is to hold financial assets to collect contractual cash flow and
2. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This includes CASH AND CASH EQUIVALENT

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Financial Assets at Fair Value through Net Assets/Equity

Financial assets are subsequently measured at fair value through net assets or equity if both of the following conditions are met;

1. The financial asset is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
2. The contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial Assets at Fair Value through Surplus/Deficit

Financial Assets are subsequently measured at Fair Value through Surplus /Deficit unless they are measured at amortized costs or fair values through net assets/equity based on conditions mentioned above.

Impairment of financial assets

The impairment of financial assets is calculated using the expected credit losses model. The Entity recognises loss allowances {Expected Credit Losses (ECL)} on all financial assets except those that are measured at FVTSD and credit-impaired financial assets. The Entity uses the Simplified approach in determining the impairment of receivables. A loss allowance is calculated at each reporting date; however, the ECL model is updated on an annual basis to accommodate any event that might cause a significant increase in credit risks on financial assets. The term 'expected credit loss' does not imply that losses are anticipated, rather that there is recognition of the potential risk of loss. Determining whether an expected credit loss should be based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk of the financial asset since initial recognition.

This is supported by historical analysis

CASH AND CASH EQUIVALENT

	2025	2024
Cash at Bank and on hand	14,581,380,739	4,791,569,099
Expected Credit Loss:		
Opening	15,240,252.52	395,791,227.47
Charged during the year	237,245,295	-380,551,001.95
Closing	252,485,548	15,240,252.52
Cash as per Statement of Net Assets	14,328,895,191	4,776,328,847

EXPECTED CREDIT LOSS OF TRADE RECEIVABLE (NON-CASH)

	2025	2024
Trade Receivables	66,927,662,010.36	51,316,618,599.00

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Expected Credit Loss:		
Opening	39,077,269,284.95	32,507,674,876.30
Charged during the year	6,246,711,639.59	6,569,594,408.65
Closing	<u>45,323,980,924.54</u>	<u>39,077,269,284.95</u>
Trade Receivable (Net)	21,201,629,144	12,239,349,314.05

This is supported by historical analysis

Analysis of Cash and Cash Equivalent

For the purpose of stating the Cash and Cash Equivalent in the Statement of Cash Flow and Statement of Financial Position it comprises the following balances with less than 12 months maturity, as it shows Cash as per Statement of Financial Position, Expected Credit Loss and Gross Cash and Cash Equivalent.

Cash as per Statement of Financial Position	14,328,895,191.61	24,387,982,319.51
Expected Credit Loss	252,567,854.46	395,791,227.47
Cash and Cash Equivalent (Cash flow)	14,581,380,739.15	24,783,773,546.98

The Entity operates with CRDB Bank PLC with current global ratings of B1 from Moody's, which gives Probability of Default (PD) of 0.0216 and National Microfinance Bank (NMB) with current global rating of B2 from Moody's, which gives Probability of Default (PD) of 0.0216 and in accordance with Banking and Financial Institutions Act 2006 Sect 39(8) the Probability of Default (PD) of the Accounts held by Tanzania Airport Authority (TAA) uses 100%.

Moreover, during the financial year 2024/25 there is an increase in Expected Credit Loss for both Financial Instruments held by TAA as analysed below:

Name of Financial Instrument

2025		2024
Trade Receivable	45,323,980,925	39,077,269,284.95
Cash and Cash Equivalent	252,485,548.46	15,240,252.45

Movement in the Expected Credit Loss allowance

The following tables explain the changes in the loss allowance between the previous period and the current reporting period due to change in credit risk factors:

Cash and Cash Equivalent:

Description	Stage 1 (TZS)
Loss Allowance as at 30 June 2024	15,240,252.52
New Financial Assets Originated/Purchased	

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Financial Asset derecognized	237,245,296.94
Change in risk parameters	
Loss Allowance as at 30 June 2025	252,485,548.46

Trade Receivables:

Description	Stage 1 (TZS)
Loss Allowance as at 30 June 2024	39,077,269,284.95
New Financial Assets Originated/Purchased	
Financial Asset derecognized	6,246,711,639.59
Change in risk parameters	
Loss Allowance as at 30 June 2025	45,323,980,924.54

Derecognition Financial assets

The Entity derecognizes a financial asset when:

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

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

Financial liabilities

Recognition

Financial liabilities are recognized when the Entity has contractual obligation to deliver cash as a result of goods or services received.

Measurement

Financial liabilities are initially measured at fair value and net gains and losses, including any interest expense, are recognized in surplus or deficit. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in surplus or deficit. Any gain or loss on derecognition is also recognized in surplus or deficit.

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Derecognition

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

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

1.7. 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 relationships 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 TAA'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.

1.8. 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.

1.9. Provisions

Provisions are recognized when TAA has a present obligation (legal or constructive) as a result of a past event, it is probable that an out flow 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 TAA 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.

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1.10. Contingent liabilities

TAA 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.

1.11. Contingent Assets

TAA 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 TAA 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. TAA 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.

1.12. Taxes

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

1.13. Value added tax

Revenues, expenses and assets are recognized 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.

1.14. 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 authorized for issue. Two types of events are identified:

- (i) Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

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- (ii) Those which are indicative of conditions that arose after their 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.

1.15. Nature and purpose of reserves

TAA 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.

1.16. Service concession arrangements

TAA 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, TAA 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, TAA also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

1.17. Significant judgments and sources of estimation uncertainty

The preparation of the financial statements of every financial year requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities to be affected in the future.

- i. The figures of Property Plant and Equipment have been affected by the estimates of useful life to non-current assets and judgement on method for depreciation calculation.
- ii. Impairment of Cash balances in Bank. The Entity reviews its financial assets measured at amortized cost at each reporting date to assess whether an impairment loss should be recognized in surplus or deficit. In particular, judgment by the Entity Management is required in the estimation of the amount and timing of future cash flows when determining the level of impairment loss required. Such estimates are based on the assumptions about a number of factors and actual results may differ, resulting in future changes in the impairment. The Entity makes judgment as to whether there is any observable data

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indicating that there is a measurable decrease in the estimated future cash flows in an individual asset in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the rating outcome, or national or local economic conditions that correlate with defaults on assets. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss incurred.

1.18. Judgments

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

(i) 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. TAA 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.

(ii) 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

(iii) Held to maturity investments and loans and receivables

TAA 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, TAA 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

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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

Budget information

The annual budget is prepared on cash basis following a major source of revenue (passenger service charge) of TAA 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.

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 2025 complies with the requirements of International Public Sector Accounting Standards as issued by IPSASB.
Future change in accounting policies.

No Standards issued and yet effective up to the date of issuance of the Ministry's financial statements that the Entity reasonably expects to have an impact on disclosures, financial position or performance when applied soon. The Entity assesses and intends to adopt these standards when they become effective.

IPSAS 43 - Leases: IPSASB approved IPSAS 43, Leases with an effective date of January 1, 2025. IPSAS 43 supersedes IPSAS 13, Leases and introduces the right-of-use model for lessees, aligning with IFRS 16, Leases. The IPSASB will continue consideration of public sector specific leasing issues, such as concessionary leases, in its Other Lease-Type Arrangements project. The entity is currently assessing the impact of the standard.

IPSAS 44- Non-current Assets Held for Sale and Discontinued Operations: In May 2022 IPSASB issued IPSAS 44 that specifies the accounting for assets held for sale and the presentation of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be:

measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and presented separately in the statement of financial position and results of discontinued operations to be presented separately in the Statement of financial performance.

IPSAS 44 will be effective for periods beginning on or after January 1, 2025.

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IPSAS 45 - Property, Plant and Equipment: This standard provides guidance on accounting for Property, Plant and Equipment so that users of Financial Statements can discern information about an entity's investment in its PPE and the changes in such investment. The standard applies to PPE used to develop or maintain the biological assets related to agricultural activity other than bearer plants, Mineral rights and mineral reserves such as oil, natural gas and similar non-regenerative resources and the recognition and measurement of exploration and evaluation assets. IPSAS 45 removed IPSAS 17's scope exclusion of Heritage Asset. This standard will be effective on 1 January 2025 with earlier application permitted

IPSAS 46- Measurement. The objective of this Standard is to define measurement bases that assist in reflecting fairly the cost of services, operational capacity and financial capacity of assets and liabilities. The Standard identifies approaches under those measurement bases to be applied through individual IPSAS to achieve the objectives of financial reporting. An entity that prepares and presents financial statements under the accrual basis of accounting shall apply IPSAS 46, Measurement in measuring assets and liabilities. The measurement requirements described in this Standard apply to both initial and subsequent measurement, unless specific guidance is included in the individual IPSAS. IPSAS 46 will be effective for periods beginning on or after January 1, 2025.

IPSAS 47- Revenue

IPSAS 47 is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. This new Standard provides focused guidance to help entities apply the principles to account for public sector revenue transactions. IPSAS 47 is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. This new Standard provides focused guidance to help entities apply the principles to account for public sector revenue transactions. To meet this objective requires an entity to consider the terms of the transaction, and all relevant facts and circumstances, to determine the type of revenue transaction and set out the accounting requirements to account for the revenue transaction. IPSAS 47 will be effective for periods beginning on or after January 1, 2026

IPSAS 48: Transfer Expenses. The objective of this standard is to establish the principles that a transfer provider (an entity) shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. In order to meet the objective, This Standard requires an entity to consider the terms of the transaction and all relevant facts and circumstances to determine the type of transfer expense transaction and sets out the accounting requirements for the transfer expense transaction. IPSAS 48 will be effective for periods beginning on or after January 1, 2026.

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IPSAS 49: Retirement Benefit Plans. The objective of this standard is to prescribe the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants. IPSAS 49 will be effective for periods beginning on or after January 1, 2026.

IFRS S1: The objective of IFRS S1 (General Requirements for Disclosure of Sustainability related Financial Information) is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The Standard requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. This Standard also prescribes how an entity prepares and reports its sustainability-related financial disclosures. It sets out general requirements for the content and presentation of those disclosures so that the information disclosed is useful to primary users in making decisions relating to providing resources to the entity.

IFRS S2: The objective of IFRS S2 (Climate-related Disclosures) is to require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The Standard requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. Climate-related risks to which the entity is exposed includes climate-related physical risks and climate-related transition

1.19. 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	30 June, 2025	30 June, 2024
United States Dollars (USD)	2690	2640.00
Euro	3160	2831.1

1.20. Financial risk management

TAA 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.

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1.20.1 Currency risk

TAA manages its bank accounts in Tanzanian shillings and USD to facilitate various activities in furtherance of its operations. In doing so, TAA is exposed to currency risk because Revenue is quoted in foreign currencies and paid in Tanzanian Shillings at the exchange rate prevailing on the date of billing.

1.20.2 Interest rate risk

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

1.20.3 Credit risk

Credit risk refers to the loss due to the non-performance by counterparties to discharge an obligation. The Entity is subjected to risk of untimely recovered advances from staff as well its balance(s) of Cash in the Bank(s). No outstanding receivables during this year.

Total Cash in the Banks to which the Entity is exposed to credit risk as of 30 June 2025 with its comparative figures, are presented in the table below according to the classification of assets (classification according to external credit rating is done based on credit ratings published by Standard and Poor's)

Liquidity risk

Liquidity risk is the risk of TAA not being able to meet its obligations as they fall due. The TAA'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 TAA's reputation. TAA ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts.

Capital Maintenance

TAA's capital is constituted by the net assets. The Government is the sole owner of TAA 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.

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.

Government Grants Receivable and Non-Cash Disclosure

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During the financial year ended 30th June 2025, TAA was entitled to a grant allocation from the Ministry of Finance amounting to TZS 20 billion.

At the reporting date, the funds had not yet been transferred into the TAA's bank account. However, the Ministry formally acknowledged the obligation and recognized the amount as payable to the Authority.

In accordance with IPSAS 23, Revenue from Non-Exchange Transactions (paragraphs 31-39), TAA has recognized this grant as revenue in the current financial year on the basis that:

- Control over the resource has been obtained through the Ministry's confirmation of the payable.
- It is probable that the economic benefits or service potential associated with the grant will flow to the Authority; and
- The amount of the receivable can be measured reliably.

Consequently, the grant has been recorded as follows:

Grant Receivable of TZS 20 billion disclosed under Current Assets in the Statement of Financial Position; and Grant Income of 20 billion recognized in the Statement of Financial Performance.

In line with IPSAS 2, Cash Flow Statements (paragraph 28), transactions that do not require the use of cash or cash equivalents are excluded from the Statement of Cash Flows. Accordingly, as the grant had not been received in cash by year-end, it has not been included in the Statement of Cash Flows. The related cash flow will be reported when the funds are received in the subsequent financial year

	2024/25	RESTATED 2023/24
16 - Revenue Grants		
Government Grant Personal Emolument	18,225,004,160	15,374,526,712
Revenue Grants - Non-Monetary		323,104,965,876
	18,225,004,160	338,479,492,588
17 - Revenue from Exchange Transactions		
Advertising Fees- Exchange	1,106,842,808	1,218,651,899
Aircraft Landing & Parking Charges- Exchange	26,757,691,341	24,147,651,339
Miscellaneous Revenue - Exchange	34,775,067,441	34,095,156,412
Parking fees- Exchange	4,673,171,603	4,756,294,494
Revenue from security Fees- Exchange	16,740,773,482	15,116,625,379
	84,053,546,675	79,334,379,523

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**24 - Fair value Gains on Assets
and Liabilities**

Reversal of provision for impairment of Receivables (ECL)	0	380,551,002
	0	380,551,002

31 - Other Revenue

Revenue from Rent of Government Quarters	9,386,419,769	10,222,304,805
Recovery of Public Money- Exchange	5,625,429,428	4,976,912,129
	15,011,849,197	15,199,216,934

**32 - Subvention from other
Government entities**

Subvention Capital	37,768,651,369	25,168,613,705
Subvention Other Charges	13,322,526,839	12,022,708,308
	51,091,178,208	37,191,322,013

**34 - Wages, Salaries and
Employee Benefits**

Acting Allowance	19,835,000	31,587,000
Casual Labour Discretionary	9,520,000	25,144,024
Casual Labour Expenses	36,240,400	129,348,000
Casual Labourers	167,736,152	132,520,800
Civil Servants	18,423,306,881	15,374,526,712
Court Attire Allowance	22,500,000	15,750,000
Diesel Allowance for Judges	268,237	0
Electricity	150,192,000	149,510,000
Extra-Duty	3,061,970,920	4,416,725,255
Food and Refreshment	977,632,675	127,526,541
Furniture Expenses	46,000,000	86,000,000
Honoraria	12,840,000	38,500,000
Housing Allowance discretionary Expenses	3,478,398,000	2,841,875,000
Internship Allowance	734,421,585	1,349,424,045
Leave Travel	123,073,435	844,872,175
Local Based Staff Salaries	3,882,874,812	989,363,522
Medical and Dental Refunds	34,220,054	38,250,340
Moving Expenses	556,774,541	631,830,100
Outfit Allowance	34,995,001	46,540,975
Risk Allowance	1,919,503,053	2,112,204,675
Sewage Charges	41,659,651	39,909,420
Sitting Allowance	407,630,210	489,911,799
Special Allowance	7,808,632,130	3,436,318,588
Subsistence Allowance	123,131,104	376,093,500
Telephone	193,200,274	184,398,465

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

Telephone Allowance	85,166,700	17,891,343
	42,351,722,815	33,926,022,279
 35 - Use of Goods and Service		
Advertising and publication	42,973,813	67,526,000
Advertising and Publication - Communication & Information	44,280,300	38,312,958
Agriculture and Livestock Extension System	0	8,242,000
Air Travel TicketsTraining - Domestic	139,625,720	254,412,974
Air Travel TicketsTraining - Foreign	62,547,151	62,234,004
Air Travel TicketsTravel - In - Country	657,663,920	811,084,742
Air Travel TicketsTravel Out Of Country	113,624,282	343,084,294
 Books, Reference and Periodicals	217,899,786	238,429,770
Carpet	0	8,500,000
Catering Services	713,084,365	421,055,116
Classroom Teaching Supplies	0	275,000
Cleaning Supplies - Use of goods and Services	28,164,800	25,843,589
Computer Supplies and Accessories	34,531,421	16,173,500
Conference Facilities	155,744,487	166,943,872
Consumable Medical Supplies	898,506	0
Courier Services	0	1,800,000
Diesel	4,390,983,978	2,877,410,054
Donation	84,290,000	0
Drugs and Medicines	1,677,511	996,280
e Training Materials	0	1,320,000
Electricity - Utilities Supplies and Services	5,697,464,511	5,888,248,529
Entertainment - Hospitality Supplies And Services	118,855,424	20,000,000
Exhibition, Festivals and Celebrations	41,088,000	19,143,999
Firewood	5,508,920	0
Food and Refreshments	1,750,064,846	2,279,575,742
Fumigation Expenses	258,357,918	191,943,218
Furniture and Appliances	6,473,245	0
Gifts and Prizes	185,793,726	392,315,694
Ground Transport (Bus, Train, Water)	68,070,925	67,735,681
Ground travel (bus, railway taxi, etc) Travel - In - Country	122,190,783	150,612,906
Ground travel (bus, railway taxi, etc) Travel Out Of Country	480,000	14,714,800
Health Insurance Travel Out Of Country	386,000	910,613
Hiring of Training Facilities	0	1,000,000

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
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Internet and Email connections	241,787,363	161,094,480
Joint Training & Operations (Regional)	0	810,000
Laundry and Cleaning Expenses	4,500,000	4,500,000
Lubricants	5,400,000	2,099,985
Maps	0	1,045,742
Medical Gases and Chemicals	0	8,990,000
Mobile Charges	539,500	75,829,000
Natural Gas - Utilities Supplies and Services	354,000	114,000
Newspapers and Magazines	33,522,449	36,169,250
Office Consumables (papers, pencils, pens and stationaries)	702,070,260	756,292,213
Outsourcing Costs (includes cleaning and security services)	13,019,370,368.43	6,164,312,951
Per Diem - Domestic	5,552,689,218	5,227,096,343
Per Diem - Foreign	1,120,130,997	845,307,412
Petrol	63,576,873	56,191,006
Posts and Telegraphs	10,181,210	8,505,828
Printing accessories	0	656,000
Printing and Photocopy paper	83,861,088	77,533,374
Printing and Photocopying Costs	9,144,219	64,146,448
Printing Material	74,967,202	53,866,308
Production and Printing of Training Materials	31,957,747	74,110,711
Protective Clothing, footwear and gears	187,582,783	221,565,575
Publicity	61,690,005	44,901,473
Remuneration of Instructors	46,783,188	38,581,241
Research and Dissertation	12,000,000	2,597,900
Training - Domestic		
Sewage Charges - Utilities	3,440,000	133,822,873
Supplies and Services		
Software License Fees	74,782,500	441,429
Special Uniforms and Clothing	2,821,550	5,650,000
Specialised Medical Supplies	2,484,000	134,696,693
Subscription Fees	82,803,186	88,737,605
Tapes, Films, and Materials (split)	62,797,145	2,174,863
Technical Service Fees	0	59,695,208
Telephone Charges (Land Lines)	21,838,808	15,000,000
Telephone Charges -Utilities	0	2,800,000
Supplies and Services		
Tents and Camp Equipment	2,800,000	107,019,100
Testing Facilities	80,200,000	221,708,000
Training Allowances	252,597,645	1,366,423
Training Materials	100,000	915,037,735
Tuition Fees Training - Domestic	807,005,175	130,571,078
Tuition Fees Training - Foreign	306,659,395	882,724,096
Uniforms and Ceremonial Dresses	115,254,078	0
Uniforms -Clothing, Bedding, Footwear and Services	65,920,000	2,795,000
Upkeep Allowances	73,361,345	2,282,981,795

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

Upkeep of Grounds and Amenities	87,843,277	8,864,034
Visa Application Fees	8,827,090	204,000
Water and Waste Disposal (Garbage)	621,443,507	691,922,940
Wire, Wireless, Telephone, Telex Services and Facsimile	12,945,322	0
	38,890,756,831.44	33,984,375,447

36 - Maintenance Expenses

Aggregates and Road Surfacing Materials	2,044,031,633	1,382,063,435
Air conditioners	122,973,481	122,863,701
Cement, Bricks and Building Materials	161,233,182	211,442,209
Computers, printers, scanners, and other computer related equipment	47,476,164	81,032,489
Direct labour (contracted or casual hire) - Buildings	45,270,676	79,242,800
Direct labour (contracted or casual hire) - Machinery, Equipment and Plant	29,891,956	0
Direct labour (contracted or casual hire) - Roads and Bridges	0	3,530,000
Direct labour (contracted or casual hire) - Vehicles and Transportation Equipment	58,779,799	7,770,000
Direct labour (contracted or casual hire) - Water and Electricity	16,855,000	9,315,100
Electrical and Other Cabling Materials - Buildings	55,738,191	982,844,424
Electrical and Other Cabling Materials - Water and Electricity Installations	766,510,177	39,447,700
Fire Protection Equipment Materials	260,691,074	272,580,533
Mechanical, electrical, and electronic spare parts	15,000,000	0
Medical and Laboratory equipment	1,054,259,342	1,098,905,708
Metal Fence and Posts - Buildings	426,600	9,962,565
Metal Fence and Posts - Water and Electricity Installations	11,532,167	63,025,960
Motor Vehicles and Watercraft	0	2,443,822
Navigation Equipment (flight calibrations, signalling and beacons)	34,131,861	9,341,908
Oil and Grease	13,084,902	17,200,000
Oil, grease, and other chemical materials	9,909,020	6,050,199
Outsource Expenses	34,508,532	58,800,266
Outsource maintenance contract services - Buildings	4,150,000	1,340,000
Paint	8,887,337,753	8,115,061,669
	13,927,790	110,682,637

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
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Paint and Weather Protection	22,785,398	11,069,999
Coatings		
Pipes and Fittings	500,000	8,184,400
Plumbing Supplies and Fixtures	129,458,707	122,315,924
Repair and Maintenance of	58,384,751	262,149,956
Sewerage System		
Roofing Materials	2,235,000	0
Servers -Maintenance of	0	500,000
Specialized equipment		
Small Car Mechanics Tools	1,400,000	6,000,005
Small tools and equipment	57,010,825	33,729,181
Small tools and implements -	66,991,000	165,292,710
Buildings		
Small tools and implements -	222,799,579	107,864,798
Roads and Bridges		
Small tools and implements -	36,319,748	20,579,501
Water and Electricity Installations		
Spare Parts - Other	0	300,000
Spare Parts - Vehicles and	156,384,358	200,790,976
Transportation Equipment		
Telephone Equipment (mobile)	6,230,207	21,200,000
Tyres and Batteries	280,523,782	180,187,959
Water Pumps	29,816,732	50,613,782
Wood and Timber Supplies	0	2,106,000
Wood and Timber Supplies	8,600,989	8,399,011
Expenses		
X-Ray Equipment	13,327,518	7,806,000
	14,780,487,894	13,894,037,327

**37 - Depreciation of Property,
Plant and Equipment**

Chain Link and Block Wall	420,898,632.82	451,686,852.42
Depreciation		
Firefighting, ambulances and	789,770,507.81	564,893,304.77
rescue vehicles Depreciation		
Hardware: servers and equipment	8,815,811,835.95	3,024,426,255.77
(incl. desktops, laptops		
etc.)Depreciation		
Motor vehicles,Depreciation	475,199,462.91	3,014,697,011.50
Office buildings and structures	4,241,193,040.95	3,198,186,863.47
Office Furniture and Fittings	495,981,127.98	3,078,779.04
Depreciation		
Other Office equipment	363,604,649.00	420,427,147.00
Depreciation		
Plant and Machinery Depreciation	18,151,973,055.93	24,998,603,129.98
Roads Depreciation	13,603,576,908.90	7,680,928,431.66
	47,358,009,222.26	43,356,927,775.62

**38. Impairment of Intangible
Assets**

Intangible Assets	20,800,882	20,800,882
	20,800,882	20,800,882

42 - Interest Expenses

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

Interest on Domestic loans	1,597,674,709	2,659,099,127
	1,597,674,709	2,659,099,127
44 - Loss on Disposal of Assets		
Losses on disposal of property, plant and equipment	272,405,839	17,851,910
	272,405,839	17,851,910
45 - Loss on Foreign Currency Translation		
Foreign Exchange differences	309,106,576	3,445,332,452
(Losses) - Monetary	309,106,576	3,445,332,452
The Loan balance 2024/2025 was USD 10,259,025.62 Exchange Rate as 26,878,646,123.80 1/July/2024(exchange rate 2,640.00) Exchange Rate as at30/June/2025(2690.00) 26,569,540,547.8\		
Gain or Loss in Exchange 309,106,576		
52 - Other Expenses		
Agency fees	22,543,795	270,000
Audit fees Expenses	154,499,996	121,864,280
Burial Expenses	52,175,000	25,938,900
consultancy fees	2,280,287,281	2,108,895,885
Firearms and Ammunitions	18,100,000	1,185,000
Land registration fees	15,733,850	0
Legal fees Expenses	6,184,698	3,000,000
Materials Testing Services Expenses	8,694,800	0
Non-Agriculture Chemicals Supplies and Services	295,863,650	133,000,000
Registration Fees Expenses	233,431,796	232,932,302
Security Services	0	200,000
Special Operation Service	36,547,300	83,750,000
Specialized Equipment and Supplies	4,348,800	0
Sundry Expenses	148,361,388	81,390,249
Upkeep of Grounds and Amenities Expenses	1,935,146,028	19,441,020
Weights and Measures Instruments	250,000	120,000
	5,212,168,382	2,811,987,636
54 - Expected Credit Loss		
Expected Credit Loss	6,483,956,936	6,569,594,409
	6,483,956,936	6,569,594,409
60 - Other Transfers		
Revenue Transfer	914,513,413	8,421,323,915
	914,513,413	8,421,323,915

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

62 - Cash and Cash Equivalents		
BoT Own source Collection Account	1,062,755,712	1,976,901,007
Deposit Cash Account	413,309,796	534,932,968
Development Expenditure Cash Account	9,700,876,009	0
Imprest Cash Account	86,770,000	5,990,001
Ownsource Collection Account - NMB	0	8,372,242
Ownsource Collection Account - CRDB	7,141,055	250,000
Provision for ECL (Cash)	(252,485,548)	(15,240,252)
Recurrent Expenditure Cash Account	1,372,330,617	198,048,089
Unapplied Cash Account	108,718,247	227,942,552
USD BOT Collection Account	1,829,479,303	1,839,132,240
	14,328,895,191	4,776,328,847
67 - Receivables		
Imprest Receivable - Staff	150,080,980	349,352,830
Provision of Expected Credit Loss	(45,323,980,925)	(39,077,269,285)
Trade Receivables	66,375,529,089	51,316,618,599
	21,201,629,144	12,588,702,144
69 - Prepayments		
Prepayment Consumables	54,984,019	33,063,239
	54,984,019	33,063,239
70 - Inventories		
Consumables	136,772,913	532,851,215
Fuel	32,525,701	30,611,581
Spare parts and tyres	650,000	241,591,788
	169,948,614	805,054,584
78 - Intangible Assets		
Computer Software Accumulated Impairment	(41,601,764)	(20,800,882)
Computer Software Monetary	63,032,975	63,032,975
	21,431,212	42,232,093
82 - Work in Progress		
Other Structure - WIP Monetary	48,387,626,715	43,386,475,948
Other Structure - WIP non-monetary	108,588,136,388	108,588,136,388
Other Structure - WIP Transfer	(40,579,459,109)	(38,668,054,199)
	116,396,303,994	113,306,558,137
Balance at the Beginning of the year	113,306,558,137	6,211,499,630
Add: Addition during the year	5,001,150,767	3,569,906,599.54
Additional non-monetary WIP	0	108,588,136,577.38
Less: WIP Transferred to PPE	1,911,404,910.24	5,062,984,669.29

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

Total Work in Progress	116,396,303,994	113,306,558,137
87 - Receivables (Long Term)		
Provision for Expected Credit Loss	(45,323,980,925)	(39,077,269,285)
- Long Term	(45,323,980,925)	(39,077,269,285)
89 - Payables and Accruals		
Retention Payable Addition	173,336,083	249,771,792
Social Security contributions and NHIF Contributions Addition	-	1,211,973
Staff Claims Addition	134,130,640	160,372,440
Supplies of goods and services	8,224,839,395	4,908,464,860
Land Compensation- Kipunguni Plot	124,101,825,162	143,968,524,640
VAT Payable Addition	2,947,487,009	4,874,639,742
Withholding Tax Payable Addition	1,102,686,880	1,488,987,357
	136,684,305,170	155,651,972,808
93 - Deferred Income		
Deferred Subvention Capital	9,700,876,009	509,389,043
Deferred Subvention Current	1,459,100,617	0
	11,159,976,626	509,389,043
94 - Deposits		
Deposit General	413,309,796	534,932,968
Unapplied Deposit Account Addition	108,718,247	227,942,553
	522,028,043	762,875,521
102 - Other Borrowings by Government Entities	2024/25	2023/24
CRDB Bank Limited Addition	7,706,418,831	26,878,647,120
CRDB Bank Limited Opening	4,172,105,307	3,862,998,732
	11,878,524,138	30,741,645,852
MOVEMENT		
CRDB Bank Limited Addition	7,706,418,831	26,878,646,948
Loss in exchange transaction -current	309,106,576	417,666,280
Loss in exchange transaction accumulated	3,862,998,732	3,445,332,452
	11,878,524,139	30,741,645,680

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

Note 95: Related party Transaction.

Key Management Remuneration

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of TAA 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	2024/25	2023/24
Salaries	735,360,000	574,080,000
Allowances and other short-term benefits	198,360,000	399,069,550
Total	933,720,000	973,149,550
Board Members	2024/25	2023/24
Sitting Allowances	6,800,000	157,020,000

Note 95 b: Disclosure of Transaction with other Government entities for the year ended 30 June 2025

SN	Goods/Services Provided (Revenue)	Goods/Services Provided (Expenses)	Amount	Amount
	VIP Service Charges	Tanzania Prisons Service		404,850.00
	VIP Service Charges	Medical Store Department (MSD)		10,199,600.00
	Land and Parking and Other Services	Air Tanzania Company Limited		1,099,290,774.45
	VIP Service Charges	Bank Of Tanzania		115,455,828.80
	VIP Service Charges	Baraza La Sanaa Tanzania (BASATA)		100,000.00
	VIP Service Charges	Chief Court Administrator		326,079,680.00
	VIP Service Charges	EWURA		5,891,200.00
	VIP Service Charges	Immigration Zanzibar		5,057,100.00
	VIP Service Charges	Macedonia Nursery & Primary School		680,000.00
	VIP Service Charges	Ministry of Agriculture And Livestock.		70,859,150.00
	VIP Service Charges	Ministry of Blue Economy And Fisheries		2,880,350.00
	VIP Service Charges	Ministry of Communication & Transport		18,019,650.00
	VIP Service Charges	Ministry of Community Development And Social Services		65,512,710.00
	VIP Service Charges	Ministry of Community Development And Social Services		50,227,360.00
	VIP Service Charges	Ministry of Culture Arts And Sports		
	VIP Service Charges			29,323,380.00
	VIP Service Charges	Ministry of Defence		88,563,320.00
	VIP Service Charges	Ministry of Education Vocational Training		60,532,710.00
	VIP Service Charges	Ministry of Energy		35,074,100.00
	VIP Service Charges	Ministry of Finance		110,287,300.00
	VIP Service Charges	Ministry Of Foreign Affairs		235,919,530.00

SN	Goods/Services Provided (Revenue)	Goods/Services Provided (Expenses)	Amount	Amount
	VIP Service Charges	Ministry of Health		89,380,580.00
	VIP Service Charges	Ministry of Home Affairs		69,826,254.00
	VIP Service Charges	Ministry of Industry And Trade		75,377,760.00
	VIP Service Charges	Ministry of Information, Communication And Information Technology		16,225,750.00
	VIP Service Charges	Ministry of Infrastructure, Communication & Transport		4,611,550.00
	VIP Service Charges	Ministry of Land, Housing & Human Settlement		31,564,533.00
	VIP Service Charges	Ministry of Livestock And Fisheries		67,003,149.60
	VIP Service Charges	Ministry of Minerals		68,293,670.00
	VIP Service Charges	Ministry of Natural Resources And Tourism		58,104,110.00
	VIP Service Charges	Ministry of Tourism And Heritage - Zanzibar		2,800,000.00
	VIP Service Charges	Ministry of Trade And Industrial Development - Zanzibar		17,985,350.00
	VIP Service Charges	Ministry of Transport		1,014,500.00
	VIP Service Charges	Ministry of Water And Irrigation		46,669,670.00
	VIP Service Charges	Ministry of Works		44,398,960.00
	VIP Service Charges	Muhimbili National Hospital		3,838,250.00
	VIP Service Charges	National Assembly		369,194,237.00
	VIP Service Charges and	National Electoral Commission		39,201,650.00
	VIP Service Charges and	National Environment Management Council (NEMC)		1,261,550.00
	VIP Service Charges and	National Health Insurance Fund (NHIF)		600,000.00
	VIP Service Charges and	National Identification Authority (NIDA)		3,487,500.00
	VIP Service Charges and other service fees	National Institute of Transport		5,533,100.00

SN	Goods/Services Provided (Revenue)	Goods/Services Provided (Expenses)	Amount	Amount
	VIP Service Charges	National Prosecution Service		11,561,700.00
	VIP Service Charges	Office of Registrar of Political Parties		8,741,900.00
	VIP Service Charges	Office of the Solicitor General		4,298,650.00
	VIP Service Charges	Planning Commission		11,603,450.00
	Electricity and Token	Police Canteen		4,252,500.00
	VIP Service Charges	President Office		353,273,425.00
	VIP Service Charges	President's Office Planning And Investment		68,689,890.00
	VIP Service Charges	President's Office Public Service Management And Good Governance		29,410,125.00
	VIP Service Charges	President's Office Regional Administrative And Local Government		35,020,050.00
	VIP Service Charges	President's Office, Finance And Planning		17,621,659.60
	VIP Service Charges	Prestige Pre And Primary School		115,000.00
	VIP Service Charges	Prevention And Combating Of Corruption Bureau		7,298,190.00
	VIP Service Charges	Prime Minister's Office		89,485,980.00
	VIP Service Charges	PSSF		9,049,750.00
	VIP Service Charges	Public Procurement Regulatory Authority -PPRA		7,378,710.00
	VIP Service Charges	Regional Administrative Secretary		11,092,000.00
	VIP Service Charges	Regional Administrative Secretary		29,114,120.00
	VIP Service Charges	RITA		5,150,000.00
	VIP Service Charges	RUWASA		2,400,000.00
	VIP Service Charges	STAMICO		800,000.00
	VIP Service Charges	State House of Zanzibar		10,008,100.00

SN	Goods/Services Provided (Revenue)	Goods/Services Provided (Expenses)	Amount	Amount
	VIP Service Charges	TANROADS		3,200,000.00
	VIP Service Charges	TANTRADE		8,585,100.00
	VIP Service Charges	Tanzania Agricultural Development Bank (TADB)		7,394,140.00
	VIP Service Charges	Tanzania Broadcasting Corporation- Tbc		4,250,850.00
	VIP Service Charges	Tanzania Bureau Of Standards (TBS)		1,650,000.00
	VIP Service Charges	Tanzania Cigarette Company Limited		43,889,618.01
	Recovery Charges and other fees	Tanzania Civil Aviation Authority		167,508,750.00
	VIP Service Charges	Tanzania Electric Supply Company - TANESCO		15,677,310.00
	VIP Service Charges	Tanzania Fertilizers Regulatory Authority		2,083,660.00
	VIP Service Charges	Tanzania Forest Services		15,677,570.00
	VIP Service Charges	Tanzania Insurance Regulatory Authority		5,880,000.00
	VIP Service Charges	Tanzania Investment Centre		52,204,930.00
	Data Charges, Electricity and other fees	Tanzania Meteorological Agency - TMA		40,878,600.00
	VIP Service Charges	Tanzania National Business Council (TNBC)		1,000,000.00
	VIP Service Charges	Tanzania Police Force		130,473,612.00
	VIP Service Charges	Tanzania Petroleum Development Corporation- TPDC		6,226,750.00
	VIP Service Charges	Tanzania Plant Health And Pesticides Authority		3,042,639.96
	VIP Service Charges	Tanzania Ports Authority- TPA		4,549,510.00
	VIP Service Charges	Tanzania Post Corporation		25,106,308.06
	VIP Service Charges	Tanzania Railways Corporation - TRC		19,206,630.00
	VIP Service Charges	Tanzania Revenue Authority- Tra		47,857,990.00

SN	Goods/Services Provided (Revenue)	Goods/Services Provided (Expenses)	Amount	Amount
	VIP Service Charges	Tanzania Shipping Agencies Corporation		6,116,560.00
	VIP Service Charges	Tanzania Sugar Board		4,446,200.00
	Lapel badges and other charges	Tanzania Telecommunications Corporation (TTCL)		100,004,494.02
	VIP Service Charges	Tanzania Tourist Board		12,506,500.00
	VIP Service Charges	TAWA		5,725,000.00
	VIP Service Charges	TCC		5,166,000.00
	VIP Service Charges	TGFA		10,400,000.00
	VIP Service Charges	Vice President Office Union and Environment		82,672,790.00
	VIP Service Charges	The Open University of Tanzania		2,290,580.00
	VIP Service Charges	Tanzania Police Force		
	VIP Service Charges	TIB Development Bank		2,000,000.00
	VIP Service Charges	Treasury Registrar		7,048,050.00
	VIP Service Charges	Water Institute		4,353,150.00
	VIP Service Charges	Zanzibar Electoral Commission (Zec)		1,800,000.00
	VIP Service Charges	Zanzibar House Of Representatives		8,664,750.00
	VIP Service Charges	Zanzibar Planning Commission		5,046,200.00
	Waste disposal fee	Bukoba Municipal Council Own Source	240,000.00	
	Water Expenses	BUWASA	5,575,189.90	
	Payments for Various taxes	Commissioner For Domestic Revenue	3,313,248,501.34	
	Weight and measure payment at TAA	Commissioner For Weights and Measures Agency	190,000.00	
	Water bills Dodoma	DUWASA	2,028,755.82	
	Training fee for engineers	Engineers Registration Board	26,757,500.00	

SN	Goods/Services Provided (Revenue)	Goods/Services Provided (Expenses)	Amount	Amount
	Maintenance of motor vehicle for regional airport and HQ	GeppTemesa Revenue Account	228,700,518.35	
	Bee Colonies Transfer From Airport	GePG TAWIRI Revenue Account	900,000	
	Fuel and office stationeries	GPSA	1,439,687,762.04	
	Connection of water system at Loliondo Airstrip	Loliondo Revenue Account	389,600.00	
	Training fee	NBAA Collection Account	50,055,000.00	
	Training fee	PSPTB	59,660,000.00	
	Training fee for engineers	Public Procurement Regulatory Authority	86,300,000.00	
	payment for licence for security payment for licence for security equipment	Tanzania Atomic Energy Commission	69,700,000.00	
	Electricity Expenses	Tanzania Electric Supply Company Limited	6,178,789,302.24	
	Internet Services	Tanzania Telecommunication Corporation	304,651,186.01	
	Training fee	The Institution Of Engineers Tanzania	1,410,000.00	

Note 96: Events after the reporting date

TAA adopted new Organization Structure effective from 1 July, 2025. The PO PSM has approved a new organizational structure, set to be implemented in the forthcoming year. This approval marks a significant step towards strengthening the operational framework of TAA, ensuring that the organization is well-positioned to meet its strategic objectives.

The new structure is headed by Board of directors, director general and it's consist of five (5) directorates namely; Director of Engineering and Technical Services - DETS, Directorate Of Employees Under Domestic Airport Operations - DAO, Directorate of Employees Under Julius Nyerere International Airport - JNIA, Directorate of Employees Under Human Resources Management and Administration - HRMA and Directorate of Employees Under Finance and Accounts - FA lead by directors who reports to the director general.

Furthermore, it has introduced eight (8) units namely Information and communication technology units, Procurement management units, Legal services units, fire and rescue units, Quality assurance units, monitoring and evaluation units and public relation and communication unit. Those units lead to enhancing efficiency in the provision of services, streamlining processes, and improving overall organisational performance. By clearly defining roles and responsibilities, TAA will be better equipped to respond to stakeholder needs and deliver high-quality services effectively.

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

Note 97: Capital Commitments

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

SN	ACTIVITY/ PROJECT NAME 2024/2025	OUTSTANDING/ REMAINING VALUE AS AT 30JUNE, 2025
1	To carry out a feasibility study and Detailed Engineering Design of Njombe Airport to cater to Code 4E operation	804,694,890.00
2	To acquire land, plan, conduct a cadastral survey and prepare title deed for Regional Airports	125,000,000.00
3	Land acquisition for the development of new airports at Kagera Region	500,000,000.00
4	To compensate PAPs at Airports	15,000,000,000.00
5	Remodelling of Engineers of fire into the Terminal building at Songea Airport	130,000,000.00
6	To complete construction works for New Terminal building and its associated facilities at Mwanza airport	14,000,000,000.00
7	To carry out a feasibility study and design for the upgrading of Mwanza Airport	1,000,000,000.00
8	To supply, install, test and commission the AGL system	500,000,000.00
9	To construct Kilimo Anga Maintenance Hangar at Arusha Airport	500,000,000.00
10	To resurface Arusha Airport Runway	4,083,654,580.00
11	To construct the New Terminal building, Control Tower, Fire Station and Meteorological Observatory Station with associated facilities at Mtwara airport	7,300,000,000.00
12	To rehabilitate and upgrade Lindi Airport	13,000,000,000.00
13	To rehabilitate and upgrade Moshi airport	5,000,000,000.00
14	To rehabilitate and upgrade Singida Airport	1,000,000,000.00
15	To carry out a feasibility study and design for New Serengeti International Airport	1,000,000,000.00
16	To construct the control tower and its associated facilities at Bukoba Airport	2,960,000,000.00
17	To modernise and expand JNIA Terminal II	500,000,000.00

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

SN	ACTIVITY/ PROJECT NAME 2024/2025	OUTSTANDING/ REMAINING VALUE AS AT 30JUNE, 2025
18	To upgrade AGL System at JNIA	4,608,000,000.00
19	To construct RESA at JNIA	1,500,000,000.00
20	To undertake engineering design for TAA Head quarters of fire	400,000,000.00
21	To conduct routine maintenance of runways, perimeter roads and access roads for regional airports	400,000,000.00
22	To rehabilitate electrical systems at JNIA and Regional Airports	350,000,000.00
23	Modification of Cargo TB at Mwanza Airport	2,044,217,613.30
24	To carryout Interior Design and furniture supply at TAA HQ for conference hall and Director of fire	163,419,533.40
25	To service and manage Airport Information Management System (AMIS) CUTE systems at JNIA TBI & TBII	1,415,278,282.50
26	To service and manage Airport Information Management System (AMIS) CUTE systems at (Mwanza, Bukoba, Arusha, Songwe and Dodoma)	1,460,979,196.00
27	Supply, Install, Test and Commission of Firewall Sophos at TAA HQ and Regional Airports	300,000,000.00
28	Improvement of Local Area Network at Arusha Airport Administration Blocks	137,389,250.00
29	To acquire, install, test and commission the ICT equipment, facilities and Fire suppression system to the new Terminal Building at Songea and Kahama airports	472,883,495.00
30	To Install, Test and Commissioning of AC and Carousel at Arusha airport	1,255,371,900.00
31	To acquire, install, test and commission the Fire suppression system at Kahama, Arusha, Mpanda and Songea Airports	458,886,933.51
32	To Carrying out integration of PMS system with GePG at Arusha Airport	186,784,080.59
	TOTAL	82,556,559,754.30

Note 98: CONTINGENT LIABILITY:

During the year ended 30 June 2025, TAA received an assessment of SDL from TRA with total liability TZS 768,160,708 Tanzania Airport Authority is disclosing the said amount for the liability that may be posed by section 48 (1) of the Tax Administration Act ,2015 which allows the Commissioner General to adjust the assessment. Currently the case is pending waiting for discussion between TAA and TRA and possibility of waiver and remission to be granted thereafter.

Tanzania Airport Authority in collaboration with the Ministry of Land, Housing and Housing Development through a joint team of experts visited JNIA, Moshi, Arusha and Lindi airports as model airports to see for themselves and determine the distribution of land use in the airports.

This step was reached due to the calculation and provision of Land Rent Tax not considering the actual use of those areas and leading to Land Rent Tax for Plots with Title Deeds being large and not being paid.

As a solution to this challenge, the expert team recommended to visit all Airports with the Title Deeds and classify the use for each area within the plot to enable the calculation and issuance of the Land Rent Tax is ongoing and expected to be submitted after processing this request to be exempted from the arrears of the Land rent along with its interest amounting to TZS 12,373,873,209.26 to November 2022. It's clear that the costs are high for TAA to pay. Therefore, there is a possible (but not probable) obligation to be confirmed by a future event that is outside the control of the Authority. However, TAA relies on input from the team of expert from TAA and Ministry of Land, Housing and Housing Development in assessing the probability of future obligations.

As of 30 June 2025, the Tanzania Airports Authority (TAA) had nine (9) pending Litigation. The management of TAA, with advice from its legal unit, has assessed the merits of each case and the likelihood of a future outflow of resources. Based on this assessment and requirement of IPSAS 19, no provisions have been recognized in these financial statements for any of the cases, as the possibility of an outflow of resources is considered remote. However, the contingent liabilities exist.

Tanzania Airports Authority (TAA) signed Contract No. Y9/2023/2024/C/01 with M/s M+M Architects Limited for the Provision of Consultancy Services for Supervision of Completion of Construction for the New Terminal Building and its Associated Facilities at Mwanza Airport, Amount of TZS 443,722,568.82 is on discussion as to whether this amount is to be paid by TAA.

Note 99: CONTINGENT ASSET:

During the financial year 2024/2025 Authority had VAT claimable amount of TZS 7,991,549,747.56 which is subject to be carried forward in the subsequent period of 2025/2026.

The Assets of Geita Airports (Runways, Taxiways, Apron, Land and Terminal Buildings) are not included in the TAA Fixed Assets Register for FY 2024/2025 because the said facilities are not yet handled. We have accordingly submitted a request to TANROADS to transfer these assets along with their associated costs.

Note 100: Sustainability disclosure

Tanzania Airports Authority (TAA) reports sustainability-related financial information in line with the International Sustainability Standards Board (ISSB) requirements. These disclosures provide users of the financial statements with decision-useful information on sustainability-related risks and opportunities that may affect TAA's cash flows, financial position, or performance over the short, medium, and long term. Prepared in accordance with IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information, and IFRS 2 Climate-related Disclosures

1. Governance

The Board of Directors, through the Audit & Risk Committee, oversees sustainability-related risks and opportunities, including climate, to review risk registers, progress on resilience and mitigation strategies to reduce exposure. The Committee receives quarterly and annual financial reports.

2. Strategy

Material Risks and Opportunities:

Flood risk at coastal and lake-shore airports (Dar es Salaam, Mwanza, Bukoba).

Extreme rainfall events are causing operational disruptions.

Heat stress on runways and rising energy demand.

Future sustainable aviation fuel (SAF) infrastructure requirements.

3. Risk Management

Climate risks are integrated into the Risk Register, updated annually. Processes include hazard screening (flood, heat, storm), asset criticality mapping, and costed mitigations such as elevation works, drainage upgrades, and resilient material use. ICAO/ACI adaptation guidance informs design standards and emergency plans. The Tanzania Meteorological Authority (TMA) plays a crucial role in providing aviation meteorological services that help reduce the risk posed by weather changes that can affect airport operations. TMA reports are used daily by pilots, air traffic controllers, and airport operations teams, especially for assessing take-off and landing conditions at Tanzanian airports.

4. Metrics

Metrics:

- Scope 1: Diesel consumption for gensets and airside vehicles.
- Scope 2: Grid electricity for terminals, lighting & navigation aids.
- Scope 3: Tenant energy, waste, aircraft LTO emissions, passenger ground access emissions.

Appendix: Climate Risk Heat Map

High Risk: Coastal flooding (Dar, Tanga, Mtwara), Extreme rainfall (Dar, Dodoma).

Low Risk: Incremental transition costs, SAF readiness.

Appendix: Climate Risk Heat Map

The table below allows TAA to map key risks across airports, assign risk scores, and estimate financial impacts.

Risk	Affected Airports	Likelihood (Low/Med/High)	Impact (Operational/Financial)	Mitigation
Coastal flooding	Dar es Salaam, Tanga, Mtwara	High	Severe asset damage; Destruction for drainage infrastructures.	Construction of a drainage system. Use of TMA reports for scenario preparation.
Extreme rainfall / Flash floods	Dar, Mwanza, Bukoba	High	Operational shutdowns; High repair costs	Construction of a drainage system. Use of TMA reports for scenario preparation. Adherence to emergency SOPs
Heat stress on pavement and runways	Nationwide	Medium	Premature pavement rehab; higher AC load	Use resilient materials; shading, energy efficiency

**NOTE 77: PROPERTY, PLANT AND EQUIPMENT
ASSET MOVEMENT 2024/2025**

Asset Class	At 01 July, 2024	Additions (monetary)	Additions (non-monetary)	Disposal	At 30 June, 2025	Acc. Depreciation & Impairment at 01-July-2024	Charge during the year - Depreciation	Acc. Depreciation	Disposal	total deprec	Carrying Value at 30 June 2025
Leasehold Land	6,761,227,868.53 9.00	19,866,699.47 7.55	(19,866,699.47 .55)	-	6,761,227,868.53 9.00	-	-	-	-	-	6,761,227,868.53 9.00
Buildings	256,459,088,124.88	3,990,695,509.36	1,911,404,910.24	(36,216,120.00)	262,324,972,424.48	18,222,616,507.74	4,241,193,040.95	22,463,809,548.69	(10,108,863.86)	22,453,700,684.83	239,871,271,739.65
Running Ways	693,213,303,296.55		-		693,213,303,296.55	74,393,955,450.17	13,603,576,908.90	87,997,532,359.07	-	87,997,532,359.07	605,215,770,937.48
Motor Vehicles	25,367,973,375.93		-	(977,260,304.86)	24,390,713,071.06	6,733,747,848.47	475,199,462.91	7,208,947,311.38	(770,877,238.58)	6,438,070,072.80	17,952,642,998.26
Rescue and Fire Fighting Vehicle and Equipment	18,030,681,381.00	13,433,785.46	-		18,044,115,166.46	7,275,827,568.91	789,770,507.81	8,065,598,076.72	-	8,065,598,076.72	9,978,517,089.74
Plant & Machinery	362,041,609,743.72		-	(141,750,000.00)	361,899,859,743.72	111,767,789,409.99	18,151,973,055.93	129,919,762,465.92	(101,834,483.08)	129,817,927,982.84	232,081,931,760.88
Furniture & Fittings	7,622,986,241.46	1,241,013,050.98			8,863,999,292.44	5,813,771,550.59	495,981,127.98	6,309,752,678.57		6,309,752,678.57	2,554,246,613.87
Office Equipment	44,129,381,588.64	17,346,708.00	-		44,146,728,296.64	3,912,531,399.31	363,604,649.00	4,276,136,048.31		4,276,136,048.31	39,870,592,248.33
Computers Equipment	77,229,123,802.92	2,603,893,462.15			79,833,017,265.07	56,933,922,903.42	8,815,811,835.95	65,749,734,739.37		65,749,734,739.37	14,083,282,525.70
Chain Links	18,197,162,739.18	300,000.00	-	-	18,197,462,739.18	3,628,534,308.32	420,898,632.82	4,049,432,941.15	-	4,049,432,941.15	14,148,029,798.03
											114

Controller and Auditor General

AR/CG/TAA/2023/24

TOTAL	8,263,519,178, 833.27	27,733,381,9 93.50	(17,955,294,5 67.31)	(1,155,226,42 4.86)	8,272,142,039, 834.60	288,682,696,9 46.92	47,358,009,2 22.26	336,040,706,1 69.19	(882,820,58 5.52)	335,157,885,5 83.67	7,936,984,154, 250.94
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NB: Out of the total cash outflow of TZS 27,733,381,993 for the acquisition of Property, Plant and Equipment, an amount TZS 19,866,699,478 relating to the Kipunguni land acquisition had been recognised in the prior year as an addition to land and included under payables. The remaining balance of TZS 7,866,682,516 represents acquisitions of assets made during the current year.

ASSET MOVEMENT 2023/2024

Assets	At 01 July, 2023	Additions (monetary)	(non-monetary)	disposal	At 30 June, 2024	Acc. Depreciation & Impairment at 01-July-2023	Charge during the year- Depreciation	Acc. Depreciation	disposal	total deprec	Carrying Value at 30 June 2024
Leasehold Land	6,450,802,877, 148	-	310,424,991,39 1	-	6,761,227,868,53 9.00				-	-	6,761,227,868, 539
Buildings	167,104,519,18 7	2,425,315,034	86,929,253,903	-	256,459,088,125	15,024,429,644,27	3,198,186,863	18,222,616,507,74	-	18,222,61 6,508	238,236,471,6 17
Running Ways	430,532,024,74 3	5,781,723,540	256,899,555,01 4	-	693,213,303,297	66,713,027,018,51	7,680,928,432	74,393,95 5,450	-	74,393,95 5,450	618,819,347,8 46
Motor Vehicles	7,391,540,662	9,955,878,187	8,099,595,014	(79,040,486)	25,367,973,376	3,780,239,413,25	3,014,697,011	6,794,936,424,75	(61,188,576,27)	6,733,747, 848	18,634,225,52 7
Rescue and Fire Fighting Vehicles and Equipment	13,050,644,129	4,980,037,252	-	-	18,030,681,381	6,710,934,264,14	564,893,305	7,275,827,568,91	-	7,275,827, 569	10,754,853,81 2
Plant & Machinery	359,186,830,04 3	429,728,586	2,425,051,115	-	362,041,609,744	86,769,186,280,00	24,998,603,13 0	111,767,789,409,9 9	-	111,767,7 89,410	250,273,820,3 34
Furniture & Fittings	6,624,172,554	998,813,687	-	-	7,622,986,241	5,810,692,771,55	3,078,779	5,813,771,550,59	-	5,813,771, 551	1,809,214,691
Office Equipment	7,236,384,022	381,841,729	36,511,155,837	-	44,129,381,588,6 4	3,492,104,252,31	420,427,147	3,912,531,399,31	-	3,912,531, 399	40,216,850,18 9
Computers Equipment	76,742,776,554	486,345,249	-	-	77,229,123,802,9 2	53,909,496,647,65	3,024,426,256	56,933,922,903,42	-	56,933,92 2,903	20,295,200,89 9
Chain Links	10,214,937,119	72,705,350	7,909,520,270	-	18,197,162,739,1 8	3,176,847,455,90	451,686,852	3,628,534,308,32	-	3,628,534, 308	14,568,628,43 1
TOTAL	7,528,886,708, 161	25,512,388,614	709,199,122,54 4	(79,040,486)	8,263,519,178,83 3,27	245,386,957,747,5 8	43,356,927,77 6	288,743,885,523,2 0	(61,188,576,27)	288,682,6 96,947	7,974,836,481, 886

Non-monetary assets increased from TZS 222,565,110,419 to TZS 709,199,122,544 after restatement. The TZS 486,634,012,125 increase resulted from recognizing previously unrecorded assets, mainly land, buildings, runways, and related infrastructure, identified and verified through a comprehensive asset verification exercise.

The recognized assets are detailed as follows:

- Land - Geita Airport: TZS 1,328,380,000
- Land - KIA: TZS 166,275,000,000.00
- Building - Geita: TZS 1,408,231,454.00
- Building - KIA: TZS 47,984,903,893.00
- LSG Building: TZS 3,037,000,000.00
- Runway - Geita: TZS 59,133,811,387.03
- Runway - KIA: TZS 58,146,375,000.00
- Security Fence - Geita: TZS 5,084,199,000.
- TAZARA Building: TZS 144,236,111,391.14

These adjustments have been applied retrospectively to ensure that the comparative figures fairly present the financial position of the Authority and comply with applicable public sector financial reporting requirements.

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

INTANGIBLE ASSET MOVEMENT FOR FINANCIAL YEAR 2024/25

	At 01- July-2024	Addition Monetary	Addition Non Monetary	30-Jun-25	At 01- July- 2024	Charge during duringthe year depreciation	Charge during during the year amortazation	Revaluation	30-Jun-25	Carrying Value
Computer Software	63,032,975	-	-	63,032,975		20,800,882	20,800,882	-	41,601,764	21,431,212
TOTAL	-	63,032,975	-	63,032,975	-	20,800,882	20,800,882	-	41,601,764	21,431,212

Note 38:INTANGIBLE ASSET MOVEMENT FOR FINANCIAL YEAR 2023/24

	At 01- July- 2023	Addition Monetary	Addition Non Monetary	30-Jun-24	At 01- July- 2023	Charge during duringthe year depreciation	Charge during during the year amortazation	Revaluation	30-Jun-24	Carrying Value
Computer Software	-	63,032,975	-	63,032,975	-	-	20,800,882	-	20,800,882	42,232,093
TOTAL	-	63,032,975	-	63,032,975	-	-	20,800,882	-	20,800,882	42,232,093

WORK IN PROGRESS (WIP) MOVEMENT

	2025	2024
Balance at the Beginning of the year	113,306,558,137	6,211,499,630
Add: Addition during the year	5,001,150,767	3,569,906,599.54
Additional non monetary WIP	0	108,588,136,577.38
Less: WIP Transferred to PPE	1,911,404,910.24	5,062,984,669.29
Total Work in Progress	116,396,303,994	113,306,558,137

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

**RECONCILIATION OF NET CASH FLOWS FROM OPERATING
ACTIVITIES**

	TZS 2025	TZS 2024
Deficit/Surplus for the year	10,189,974,740	321,477,608,901
Adjustment: Non-cash items		
Reversal of provision for impairment of Receivables (ECL)	0	-380,551,002
Current Grants from Other General Government Units-non monetary	0	-322,733,270,475
Provision for Expected Credit Loss	6,483,956,936	-39,077,269,285
Loss on disposal	272,405,839	17,851,910
loss in exchange transaction	309,106,576	3,445,332,452
Impairment of Intangible Assets	20,800,882	20,800,882
Depreciation charges for the year	47,358,009,222	43,356,927,776
TOTAL	64,634,254,196	6,127,431,158
Movement in working capital		
(Increase)/Decrease in inventories	635,105,970	(199,067,180.89)
(Increase)/Decrease in receivables	-14,859,638,640	38,147,063,249
(Increase)/Decrease in prepayment	-21,920,780	397,255,282
Increase/(Decrease) in deferred income (Capital)	9,191,486,966	-5,815,801,070
Increase/(Decrease) in deferred income (Revenue)	1,459,100,617	-2,337,088,031
Increase/(Decrease) in deposits	-240,847,478	-7,906,589,911
Increase/(Decrease) in payables and accruals	899,031,843	-3,183,125,375
Net cash flows generated from operating activities	61,696,572,694	25,230,078,121

RECONCILIATION OF BUDGET VS ACTUAL AND REPORT OF CASHFLOW

DESCRIPTION	NET CASH FLOW FROM OPERATING ACTIVITIES	NET CASH FLOW FROM INVESTING ACTIVITIES	NET CASH FLOW FROM FINANCING ACTIVITIES	TOTAL
Actual amount on comparable basis as presented in the budget and actual comparative statement	63,298,167,082	(27,733,381,993)	(19,172,228,289)	16,392,556,800
Basis difference	1,838,522,182	4,703,790,767		6,542,312,949
Actual amount in the statement of cash flow	61,459,644,900	(32,437,172,760)	19,172,228,289	9,850,243,851

where;	
Decrease in Deposit	240,847,478
Interest Expenses	1,597,674,709
Differences in Operating Activity	1,838,522,187

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2025**

Payment for work in Progress	4,703,790,767
Differences in Investing activity	4,703,790,767

During the period ended 30 June 2025, the differences between the two statements (Cash flow and budget vs actual statement) are decrease in deposit TZS 0.240 billion resulted from payments of various TAA project paid in deposit, Interest expenses TZS 1.597 billion resulted from interest payment of Loan from CRDB and work in progress from Investing activity amounted TZS 4.7 billion resulting from payment of Supply, Installation, Configure, Test, Train, and Commissioning for ICT Systems- at Songea and Kahama Airports, Extension of Commercial Area in the Terminal Building at Arusha Airport, Remodelling of Engineers Office into Terminal Building at Songea Airport and other TAA projects.

PAYABLE MOVEMENT

GFSDescription	Opening	Cash Paid	Rejected Non Cash	New Addition	Balance
Rentention	249,771,792.00	249,771,792.00	0.00	173,336,083.00	173,336,083.00
Research Project	0.00	0.00	0.00	0.00	0.00
Social security contributions and NHIF contributions Addition	1,211,973.00	1,211,973.00	0.00	0.00	0.00
Land Compensation - Kipunguni Plot	143,968,524,640.00	19,866,699,477.55	0.00	0.00	124,101,825,162.45
Staff Claims	160,372,440.00	160,372,440.00	0.00	134,130,640.00	134,130,640.00
Supplies of goods and services	4,908,464,860.00	4,908,464,861.07	0.00	103,666,179.07	103,666,178.00
VAT Payables	4,874,639,742.00	1,927,152,732.00	0.00	0.00	2,947,487,010.00
Withholding Tax payables	1,488,987,357.00	528,784,163.00	0.00	142,483,686.00	1,102,686,880.00
TOTAL	155,651,972,804.00	27,642,457,438.62	0.00	553,616,588.07	128,563,131,953.45

Note 103: Restatement of Statement of Changes in Owners' Equity

During the year ended 30 June 2024, the entity identified prior-period errors relating to Owners' Equity. In accordance with IPSAS 3 - Accounting Policies, Changes in Accounting Estimates and Errors, these errors have been corrected retrospectively.

Before restatement, total Owners' Equity was reported at 1,150,381,439,780. Following the correction of the prior-period errors, total Owners' Equity has been restated to 1,484,635,110,258, representing an increase of 334,253,670,478.

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The restatement has been applied retrospectively by adjusting the opening balance of Owners' Equity for the earliest prior period presented. Comparative information has been restated where applicable to ensure consistency and comparability of financial information, in line with the requirements of IPSAS 3.

Reconciliation of Owners' Equity

Description	Amount	
Owners' Equity before restatement	1,150,381,439,780	
Less Owners' Equity after restatement	1,484,635,110,258	
Adjustment arising from the correction of prior-period errors		334,253,670,478
Recognised Asset of Kia, Geita, Jnia, Tazara	343,812,400,734.03	
Less Accumulated Depreciation	7,014,296,006.29	
Less withholding tax liability of TZS	1,397,521,001	
Unbudgeted payment not recognised as payable	1,146,913,249	
Adjusted Amount		334,253,670,477.74