



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



AIR TANZANIA COMPANY LIMITED (ATCL)

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2024**

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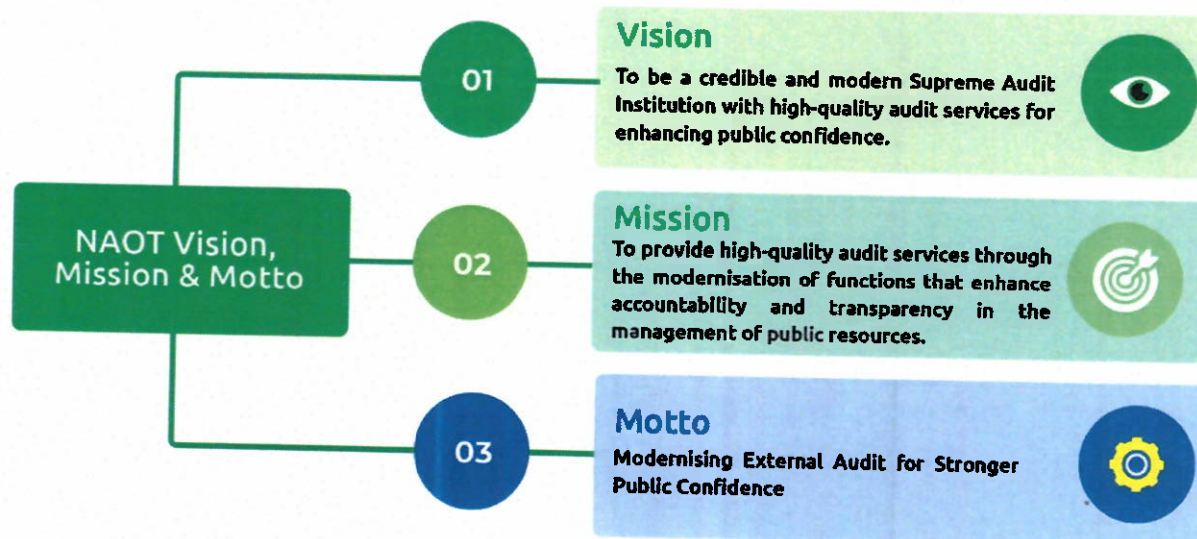
March 2025

AR/PA/ATCL/2023/24

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.



Independence and objectivity

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

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



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.

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

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ABBREVIATIONS

AOG	Aircraft on Ground
APU	Auxiliary Power Unit
ASK	Available Seat Kilometre
ATC	Air Tanzania Corporation
ATCL	Air Tanzania Company Limited
BOT	Bank Of Tanzania
BSP	Billing and Settlement Plan
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
CSP	Corporate Strategic Plan
DAR	Dar es Salaam
FVOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
FY	Financial Year
GDS	Global Distribution System
GOT	Government Of Tanzania
GSA	General Sales Agent
GSE	Ground Services Equipment
IAS	International Accounting Standards
IATA	International Air Transport Association
ICAO	International Civil Aviation Organisation
ICH	IATA Clearing House
ICT	Information Communication Technologies
IFRS	International Financial Reporting Standards
IOSA	IATA Operational Safety Audit
ISSAI	International Standard of Supreme Audit Institutions
JNIA	Julius Nyerere International Airport
KIA	Kilimanjaro International Airport
KIMAFA	Kilimanjaro Maintenance Facility
MOU	Memorandum of Understanding
MWZ	Mwanza
NBAA	National Board of Accountants and Auditors
OEM	Original Equipment Manufacturer
PAR	Public Audit Regulation
PPR	Public Procurement Regulation
PSSSF	Public Service Social Security Fund
SAA	South African Airways
TCAA	Tanzania Civil Aviation Authority
TGFA	Tanzania Government Flight Agency
TZS	Tanzanian Shilling

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,
Board of Directors,
Air Tanzania Company Ltd,
P.O. Box 543,
Dar es Salaam,
Tanzania.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Air Tanzania Company Limited (ATCL), which comprise the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flow and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Air Tanzania Company Limited (ATCL) as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) accrual basis of accounting.

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 Air Tanzania Company Limited (ATCL) 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.

Emphasis of Matter

I draw attention to Note 43 of the financial statements, which describes the significant financial challenges faced by Air Tanzania Company Limited (ATCL). The Company reported a net loss after tax of TZS 91.8 billion for the year ended 30 June 2024, with an accumulated loss of TZS 534 billion as of the same date (2023: net loss of TZS 56.6 billion; accumulated loss of TZS 442 billion), representing a 62% increase in loss from the prior year.

The increased financial loss is primarily attributed to the grounding of Airbus A220-300 aircraft due to technical issues, including corrosion and worldwide manufacturer-related engine faults. These issues led to substantial flight disruptions, revenue losses, and unrecovered fixed costs, including aircraft insurance, minimum maintenance charges, staff costs, and administrative expenses. Additionally, higher lease and maintenance costs for

newly acquired aircraft and delays in the operation of freighter aircraft due to flight permit and slot approval challenges have further exacerbated the financial strain.

Furthermore, as of 30 June 2024, the Company had a shareholders' equity deficit of TZS 282 billion (2023: TZS 214 billion) and current liabilities exceeding current assets by TZS 424 billion (2023: TZS 306 billion). These conditions indicate significant financial disruption, raising concerns about the Company's ability to meet its obligations, including payments to key suppliers, which may cast significant doubt on the Company's ability to continue as a going concern.

However, as disclosed in Note 43, the government is evaluating the transfer of aircraft ownership to the Company, potentially replacing the ongoing lease arrangements. Additionally, there are ongoing efforts to secure working capital financing to address the financial challenges.

My opinion is not modified in respect of this matter.

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 Report by those charged with Governance, statement of management responsibility and Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed 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 IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on the procurement of works, goods, and services in the Air Tanzania Company Limited (ATCL) for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, except for the matter described below, procurement of goods, works and services of Air Tanzania Company Limited (ATCL) is generally in compliance with the requirements of the Public Procurement laws.

(i) Procurement made without Competitive Quotations, Amounting to TZS 219.51 Million

Regulation 131(5) of the Public Procurement Regulations, 2013 (amended 2016) requires procuring entities to conduct mini-competitions among at least three tenderers under a framework agreement and obtain Tender Board approval before issuing local purchase orders to the lowest-priced bidder within prevailing market rates. Contrary to this requirement, ATCL spent TZS 219.51 million on advertising services without evidence of mini-competitions or framework agreements specifying the type and price of advertisements. Additionally, TZS 27.12 million was paid to a vendor who was not listed among the approved service providers. This non-compliance is attributed to Management's failure to ensure adherence to procurement procedures. The absence of competitive

procurement processes increases the risk of inflated costs, potential financial mismanagement, and suboptimal service quality, compromising value for money.

(ii) Procurements made not in the APP TZS 55.22 billion

Regulation 69(7) of the Public Procurement Regulations, 2013 requires procuring entities to prepare procurement plans for requirements included in the approved budget for the current financial year or, if payment is due in a subsequent year, ensure that such payments are budgeted. Additionally, Regulation 69(9) mandates that the approval of the Accounting Officer must be obtained, either through inclusion in the procurement plan or by requesting approval as an individual procurement item when not initially included in the plan. Contrary to these requirements, a review of ATCL's quarterly implementation reports revealed that procurements amounting to TZS 55,222,775,769.89 were not included in ATCL's Annual Procurement Plan (APP) for the financial year 2023/24. The audit further noted that these procurements had been included in the prior year's APP for 2022/23 but were executed in the year under review (2023/24) without being reflected in either the approved budget or the Annual Procurement Plan. Additionally, the audit observed that the budgeted amounts for these tenders in the prior year's APP materially differed from their approved contract prices, raising concerns about budget alignment and procurement planning.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in Air Tanzania Company Limited (ATCL) for the financial year 2023/24 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that, except for the matters described below, Budget formulation and execution of Air Tanzania Company Limited (ATCL) is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

(i) Inefficiencies in budget preparation and implementation

Paragraph 113 of the Budget Preparation Guidelines for 2023/24, issued in December 2022, requires public institutions to utilize electronic systems such as OTRMIS, MUSE, GePG, and PlanRep for budget execution, financial reporting, expenditure tracking, and revenue collection. Contrary to this requirement, ATCL is using PASTEL as an accounting system for executing its expenditure budget, which is not integrated with GePG and PlanRep. This results in manual budget management, where budget officers verify approved budgets using Excel before proceeding with payments. Additionally, account codes in PASTEL differ from those used for budget preparation, and there is no mapping document linking the two, affecting budget tracking and reporting accuracy.

(ii) Inconsistency of budget information for financial year 2023/24

Section 22(1) of the Budget Act, 2015, requires public entities to prepare budget estimates and submit them to the Permanent Secretary for scrutiny and approval. However, there was a discrepancy of TZS 249,227,912,965.71 between the approved budget in the MTEF book dated March 2023 and the business plan approved by the Board of Directors during their 7th

Extraordinary Meeting held on 28 June 2023. Further, the approved capital budget by the Board of Directors differed from that presented in the business plan by TZS 29,000,000,000. Management attributed this to the budget ceiling provided by the Ministry of Finance and Planning, but as budget ceilings are set before the budget preparation process, this explanation raises concerns about the accuracy and consistency of the budget process.

(iii) Non establishment of budget committee during preparation and implementation of budget

Section 18(2) of the Budget Act, 2015, and Regulation 3.13 of the ATCL Financial Regulations (2017, revised 2022) require the establishment of a budget committee to review revenue measures, allocate resources based on strategic plans and national priorities, evaluate budget performance, and ensure compliance with guidelines. The Plan and Budget Guidelines for 2023/24 also require the submission of quarterly budget committee meeting minutes to the Treasury Registrar. Contrary to these requirements, ATCL has not established a budget committee for the financial year 2023/24. Management stated that budgeting activities are performed by a team of budget officers from each department, but the absence of a formal committee undermines governance and oversight in the budget process.

Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2025



2.27 PREJUDICIAL ISSUES

The Company was a defendant in several lawsuits from former vendors and employees. The plaintiffs are claiming for arrear payment on finished works, general damages, and unfair and wrongful dismissal. The Company has filed counter-claims against the plaintiffs. In the opinion of the Company's legal counsel, material liabilities are expected to crystallise from these lawsuits. Consequently, provision has been set aside against the claims in the books of account for those claims with probably chances.

2.28 RELATED PARTY TRANSACTIONS

Remuneration of the Board of Directors for the financial year 2023/24 was TZS 61 million (2022/23: 60 million). Remuneration of members of the senior management team for the financial year 2023/24 was TZS 2.2 billion (2022/23: 1.8 billion).

2.29 EVENTS AFTER THE REPORTING DATE

There were no events that arose after the reporting date which warranted disclosure or adjustments in the financial statements of the company.

2.30 STATEMENT OF COMPLIANCE

The directors' report has been prepared in full compliance with Tanzania Financial Reporting Standard No. 1 (Report by Those Charged with Governance) and constitutes an integral part of the financial statements.

2.31 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

Those charged with Governance are responsible for preparation of financial statements that give a true and fair view of the state of affairs of the Company in conformity with International Financial Reporting Standards and compliance with Companies Act No 12 of 2002. They are responsible for such internal controls enabling the preparation of Company financial statements free from material misstatement emanating to fraud or errors. In that regard, they have an overall oversight responsibility in the preparation of Financial Statements.

An assessment of the ability of the Company to continue as going concern was made and Those Charged with Governance have no reason to believe that the business will not be a going concern for at least the next twelve months from the date of this statement. In performing this assessment, Those Charged with Governance have considered the results of the Company assessment of the possible impact on its cash flows and operations as a result of the macroeconomic impact of remnants of COVID-19 and the war between Russia and Ukraine on the airline industry and wider international economy that is disclosed in Note 2 of the financial statements.

2.32 AUDITORS

The Controller and Auditor-General is the statutory auditor of Air Tanzania Company Limited by virtue of Article 143 of the Constitution of the United Republic of Tanzania and amplified in section 10 of the Public Audit Act, Cap 418.

2.33 APPROVAL

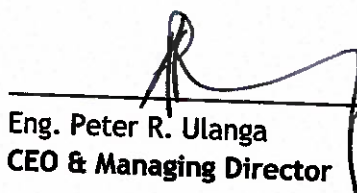
The report by those charged with governance has been approved by those charged with governance And signed on its behalf by:



Prof. Godius W. Kahyarara
Permanent Secretary
Ministry of Transport

19/3/2025

Date



Eng. Peter R. Ulanga
CEO & Managing Director

19/3/2025

Date


3.0 STATEMENT OF DIRECTORS' RESPONSIBILITY

The Companies Act, No.12 of 2002 requires directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the year. It also requires the directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The directors 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 International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, No.12 of 2002. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its performance in accordance with International Financial Reporting Standards (IFRS). The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.


The going concern basis of preparing financial statements is adopted on the basis of the explanations in Note 2 to the financial statements.

The statement of Directors' responsibility is Signed by:



Prof. Godius W. Kahyarara
Permanent Secretary
Ministry of Transport

19/3/2025
Date



Eng. Peter R. Ulanga
CEO & Managing Director

19/3/2025
Date:

4.0 DECLARATION OF THE HEAD OF FINANCE

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

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

I **Jamal A. Kiggundu** being the head of finance of Air Tanzania Company Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2024 have been prepared in compliance with International Financial Reporting Standards and the requirements of the Companies Act, No 12 of 2002.

I thus confirm that the financial statements give a true and fair view position of Air Tanzania Company Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed by:



Jamal Athuman Kiggundu
Finance Director
NBAA Membership No: ACPA3589

18-03-2024
Date


AIR TANZANIA COMPANY LIMITED (ATCL)

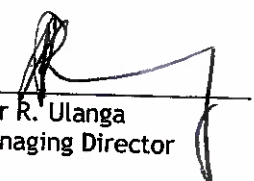
5.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Notes	30 June 2024 TZS '000'	Restated 2022/23 TZS '000'
ASSETS			
Non-Current Assets			
Property and equipment	18	216,811,889	135,737,165
Right of Use Asset	19	298,540,841	53,465,199
Intangible assets	20	134,435	170,578
		515,487,165	189,372,942
Current Assets			
Inventories	21	63,754,980	37,615,440
Trade and other receivables	22	41,775,576	26,969,026
Due from related parties	30	48,035,478	30,946,053
Cash and cash equivalents	23	17,120,821	60,139,763
		170,686,855	155,670,282
Total Assets		686,174,020	345,043,224
EQUITY AND LIABILITIES			
Equity			
Share capital	24	16,252,940	16,252,940
Advance towards share capital	25	189,817,045	144,301,498
Non distributable reserves	26	1,781,419	1,781,419
Remeasurements of retirement benefit obligations	27	4,105,021	4,099,806
Revaluation reserves		40,474,937	40,474,937
Accumulated losses		(534,223,904)	(442,426,049)
		(281,792,542)	(235,515,449)
Liabilities			
Non-Current Liabilities			
Retirement benefit obligations	27	902,419	1,192,066
Government grants - Capital	10.2	59,864,761	25,990,349
Concessionary lease liabilities	29.1	312,196,776	64,658,762
		372,963,956	91,841,177
Current Liabilities			
Trade and other payables	28	94,642,291	80,133,737
Concessionary lease payable	29.2	369,131,725	260,192,165
Due to related parties	30	106,071,138	94,023,842
Government grants - Revenue	10.1	17,589,820	42,182,054
Deferred credit	10.3	6,090,012	10,295,858
Income tax liability	16	1,477,620	1,889,840
		595,002,606	488,717,496
Total Liabilities		967,966,562	580,558,673
Total Equity and Liabilities		686,174,020	345,043,224

These financial statements were approved by the Permanent Secretary Ministry of Transport for issue on 19/03/2025 and were signed on its behalf by:


Prof. Godius W. Kahyarara
Permanent Secretary
Ministry of Transport



Eng. Peter R. Ulanga
CEO & Managing Director

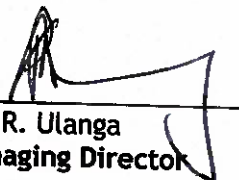
AIR TANZANIA COMPANY LIMITED (ATCL)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	<u>Notes</u>	2023/24 TZS '000'	2022/23 TZS '000'
Revenue	8	461,169,796	380,356,920
Direct costs	9	(541,203,819)	(372,321,750)
Gross profit/(loss)		(80,034,023)	8,035,170
Amortization of revenue grants (current)	10.1	49,721,157	8,456,382
Amortization of capital grants	10.2	7,450,785	1,252,005
Amortization of deferred credit	10.3	42,708,617	17,307,183
Other income	11	21,092,459	7,424,382
Operating expenses			
Gain/(Loss) on foreign currency Transactions	12	136,730	(1,920,807)
Administration expenses	13	(36,429,687)	(31,273,316)
Staff costs	14	(70,135,805)	(51,012,462)
Depreciation of property and equipment	18	(3,149,888)	(6,177,612)
Operating Profit/(Loss)		(68,639,655)	(47,909,075)
Finance costs	15	(20,247,486)	(6,657,635)
Profit/(Loss) before income tax		(88,887,141)	(54,566,710)
Income tax expense	16	(2,910,714)	(2,073,984)
Profit/(Loss) for the year		(91,797,855)	(56,640,694)
Other comprehensive income:			
Items that will not be recycled to statement of profit or loss			
Re measurements of retirement benefit obligations	27	5,215	7,071
Total items that will not be reclassified to profit or loss		5,215	7,071
Other comprehensive income for the year net of taxation		5,215	7,071
Total comprehensive Profit/(Loss) for the year		(91,792,640)	(56,633,623)

These financial statements were approved by the Permanent Secretary Ministry of Transport for issue on19/03/2025 and were signed on its behalf by:


 Prof. Godius W. Kahyarara
 Permanent Secretary Ministry of Transport



 Eng. Peter R. Ulanga
 CEO & Managing Director

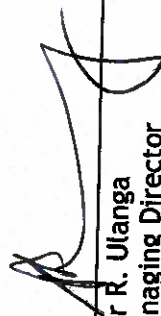
AIR TANZANIA COMPANY LIMITED (ATCL)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Share Capital TZS '000	Advance Towards Share Capital TZS '000	Non-Distributable Reserves TZS '000	Remeasurements of Retirement Benefit Obligations TZS '000	Revaluation Reserves TZS '000	Accumulated Losses TZS '000	Total TZS '000
30-June-2024							
At 01 July 2023 (Restated) ¹	16,252,940	144,301,498	1,781,419	4,099,806	40,474,937	(442,426,049)	(235,515,449)
Additions		45,515,547					45,515,547
Remeasurements of retirement benefit obligations (Note 27)				5,215			5,215
Loss for the year							
At 30 June 2024	<u>16,252,940</u>	<u>189,817,045</u>	<u>1,781,419</u>	<u>4,105,021</u>	<u>40,474,937</u>	<u>(91,797,855)</u>	<u>(91,797,855)</u>
						<u>(534,223,904)</u>	<u>(281,792,542)</u>
30-June-2023							
At 01 July 2022	16,252,940	144,301,498	1,781,419	4,092,735	40,474,937	(385,785,355)	(178,881,826)
Additions							
Remeasurements of retirement benefit obligations (Note 27)							
Loss for the year				7,071			7,071
At 30 June 2023	<u>16,252,940</u>	<u>144,301,498</u>	<u>1,781,419</u>	<u>4,099,806</u>	<u>40,474,937</u>	<u>(56,640,694)</u>	<u>(56,640,694)</u>
						<u>(442,426,049)</u>	<u>(235,515,449)</u>

These financial statements were approved by the Permanent Secretary Ministry of Transport for issue on 19/03/2025 and were signed on its behalf by:


Prof. Godius W. Kahyarara
Permanent Secretary Ministry of Transport


Eng. Peter R. Ulanga
CEO & Managing Director


¹ During the year 2023/24 a prior year adjustment has been made in respect of VAT assessment 2018-2021, PAYE and penalties delayed employees' contributions from May 2008 to Feb 2022 and review of useful life of assets toward revised public assets management guidelines 2024. Included is additional spare CF6 engine for B767-3F bought by Government (Boeing 767F / GE CF6-80C2 full Spares worth TZS 46 billion equivalents to USD 19 million. As per Treasury Register directives this formed party of share capital and will be transferred from advanced share capital to share capital once necessary arrangements are completed


AIR TANZANIA COMPANY LIMITED (ATCL)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2024

	<u>Notes</u>	2024 TZS '000'	2023 TZS '000'
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from passengers	38	499,676,688	438,710,890
Cash receipts from tenants	38	493,341	389,787
Cash receipts from students (Cabin Crews)	38	382,659	219,741
Cash receipts from miscellaneous incomes	38	224,166	4,755,148
Cash receipt from government (Grants)	10.1	66,454,120	31,548,865
Cash receipt in respect of Interest earned	38	91,109	159,748
Cash paid to suppliers	39	(487,023,687)	(428,204,178)
Cash paid to employees	39	(68,313,730)	(36,696,048)
Cash paid for other operating expenses	39	(673,084)	(1,249,693)
Receipts from security deposit	40	-	-
Retirement benefits paid	27	(784,985)	(891,384)
Tax paid	16	(3,177,449)	(1,680,720)
Net cash from operating activities		7,349,148	7,062,156
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	18	(50,403,291)	(16,338,070)
Proceeds from sale of property, plant and equipment	18	-	9,520
Net cash used in investing activities		(50,403,291)	(16,328,550)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flow used in financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(43,054,143)	(9,266,394)
Cash and cash equivalent at the beginning of the year	23	60,195,826	69,462,220
Cash and cash equivalent at end of the year	23	17,141,683	60,195,826

These financial statements were approved by the Permanent Secretary Ministry of Transport for issue on 19/03/2025 and were signed on its behalf by:


 Prof. Godius W. Kahyarara
 Permanent Secretary Ministry of Transport


 Eng. Peter R. Ulanga
 CEO & Managing Director