

# SWISSPORT TANZANIA PLC AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

## Commentary

The Board of Directors of Swissport Tanzania Plc is pleased to publish audited financial results for the year ended 31st December 2016. During the year, ground handling revenue increased by 7% whereas cargo revenue decreased by 8.6% when compared to year 2015. Favourable revenue growth in ground handling segment was due to increase in flights handled, use of bigger aircraft by some of our airline customers and forex impact. On the other hand, decreased cargo revenue was attributed by the general decline of imports. Consequently, total revenue increased by 1% to TAS 57,286 Million as compared to 2015. A net profit of TAS 15,232 Million was achieved recording a 16% decrease when compared to the previous year. The reduction of profit is mainly attributed by an increase in staff costs and amortization charges of the new warehouse.

## Dividend to shareholders

Despite the significant investment in the new cargo handling facility and decreased profit, the Board is delighted to announce a final dividend of TShs 7,865 Million or TShs 218.47 per issued and fully paid share. An interim dividend of TShs 4,322 Million or TShs 120.06 per issued and fully paid share was paid in November 2016 making the total dividend for the year to be TShs 12,187 Million or TShs 338.53 per issued and paid up share (2015: TShs 14,510 Million or TShs 403.06 per share). Pursuant to this declaration, the share register will be closed on 13th April 2017 and the last day of trading cum dividend shall be on 10th April 2017. The final dividend will be paid out on or about 24th May, 2017.

## Appreciation

The Board would like to thank all customers for their patronage during the year and is looking forward to continue serving them in 2017. The Board would also like to commend staff and the management for a job well done.

## Future outlook

Competition has started in both cargo and ground handling and its impact has been considered in our future projections. The prospects of the local aviation market are still favourable, indicating a slight increase in the number of flights while the volumes of cargo are expected to remain constant. Consequently, strict cost control and improved operational efficiency remains necessary. To cope with the changing and challenging business environment, several strategies have been put in place, including continued meeting and exceeding customers' expectations and investment in infrastructures, ground support equipment and human resources development. Generally, we are optimistic that the Company's performance in 2017 will be satisfactory.

Mark Skinner  
Board Chairman

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME For the Year Ended 31 December 2016	2016 TShs M	2015 TShs M	Change %
Revenue	57,286	56,791	1%
Other operating income	216	565	-62%
<b>Total revenue</b>	<b>57,502</b>	<b>57,356</b>	<b>0%</b>
Total operating expenses	35,596	31,387	13%
<b>Operating profit before income tax</b>	<b>21,906</b>	<b>25,969</b>	<b>-16%</b>
Income tax expense	6,674	7,832	-15%
<b>Profit for the year</b>	<b>15,232</b>	<b>18,137</b>	<b>-16%</b>
<b>Other Comprehensive Income:</b>			
Actuarial loss	(417)	(52)	702%
Deferred income tax	125	16	681%
<b>Total other comprehensive income net of tax</b>	<b>(292)</b>	<b>(36)</b>	<b>711%</b>
<b>Total comprehensive income for the year</b>	<b>14,940</b>	<b>18,101</b>	<b>-17%</b>
<b>Earnings per share</b>	<b>423.11</b>	<b>503.81</b>	<b>-16%</b>
<b>Dividend per share</b>	<b>338.53</b>	<b>403.06</b>	<b>-16%</b>

STATEMENT OF FINANCIAL POSITION As at 31 December 2016	2016 TShs M	2015 TShs M	Change %
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible asset	25,281	14,426	75%
Property and equipment	10,839	10,134	7%
Deferred income tax assets	594	1,303	-54%
Staff receivable	137	136	1%
	<b>36,851</b>	<b>25,999</b>	<b>42%</b>
<b>Current assets</b>			
Inventories	264	227	16%
Trade and other receivables	6,631	6,875	-4%
Income tax recoverable	552	136	100%
Cash and cash equivalents	5,936	4,258	39%
	<b>13,383</b>	<b>11,496</b>	<b>16%</b>
<b>Total assets</b>	<b>50,234</b>	<b>37,495</b>	<b>34%</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	360	360	0%
Retained earnings	27,405	25,722	7%
	<b>27,765</b>	<b>26,082</b>	<b>6%</b>
<b>Non-current liabilities</b>			
Retirement benefit obligations	3,711	4,214	-12%
	<b>3,711</b>	<b>4,214</b>	<b>-12%</b>
<b>Current liabilities</b>			
Trade and other payables	18,758	7,199	161%
	<b>18,758</b>	<b>7,199</b>	<b>161%</b>
<b>Total equity and liabilities</b>	<b>50,234</b>	<b>37,495</b>	<b>34%</b>

STATEMENT OF CASH FLOWS For the Year Ended 31 December 2016	2016 TShs M	2015 TShs M
Profit before income tax	21,906	25,969
<b>Adjustment for:</b>		
Depreciation of property and equipment	2,124	1,774
Amortization of intangible assets	1,240	-
Provision for retirement benefit obligations	795	769
Gain on disposal of property and equipment	(38)	(7)
<b>Working capital adjustments</b>		
(Increase)/decrease in inventories	(37)	39
Decrease/(increase) in trade and other receivables	244	(1,770)
Increase in trade and other payables	5,606	3,065
Retirement benefits paid	(91)	(202)
Income tax paid	(6,257)	(8,195)
<b>Cash generated from operating activities</b>	<b>25,492</b>	<b>21,442</b>
<b>Investing activities</b>		
Proceeds from disposal of property and equipment	38	7
Purchase of property and equipment	(14,924)	(11,323)
	<b>(14,886)</b>	<b>(11,316)</b>
<b>Financing activities</b>		
Dividends paid to Company's shareholders	<b>(8,928)</b>	<b>(11,998)</b>
Net increase/(decrease) in cash and cash equivalents	1,678	(1,872)
Cash and cash equivalents at 1 January	4,258	6,130
<b>Cash and cash equivalents at 31 December</b>	<b>5,936</b>	<b>4,258</b>



**From landing to take-off: we care !**

Mark Skinner  
Board Chairman

Mrisho Yassin  
Chief Executive Officer

Humphrey Samanya  
Ag. Chief Financial Officer