



Annual Report

2024



Discover Zambia

A Land of Waterfalls, Adventure,
Wildlife and Culture

Nestled in southern Africa, Zambia is a land of natural beauty, rich culture and diverse wildlife. Renowned for its dramatic landscapes and vibrant traditions, it offers authentic African experiences for adventurers, nature

lovers and cultural explorers. Its breathtaking waterfalls are a key attraction, providing a blend of adventure, tranquillity and cultural discovery. Below are few highlights:



Victoria Falls: The Jewel of Zambia's Waterfall Wonders

Victoria Falls, located on the Zambezi River, is Zambia's most iconic natural landmark and one of the Seven Natural Wonders of the World. Known for its dramatic cascades and misty spray, it offers activities ranging from white-water rafting to sunset cruises and scenic nature walks, making it a must-visit destination for all travellers.



Kalambo Falls: The Hidden Gem

Tucked away in northern Zambia near the Tanzania border, Kalambo Falls is one of Africa's tallest waterfalls at 221 metres. Surrounded by lush, biodiverse forests, it offers a serene and secluded experience, enriched by nearby archaeological sites that reveal the region's cultural and historical significance.



The Luangwa River: A Sanctuary for Wildlife

The Luangwa River in South Luangwa National Park is vital to the park's rich ecosystem, sustaining wildlife such as elephants, hippos and crocodiles. Along its course, Luwi Falls offers a tranquil setting ideal for nature lovers, with boat safaris providing close-up encounters with wildlife in their natural habitat.



Lake Tanganyika: Tranquil Waters and Waterfalls

Lake Tanganyika, Africa's deepest lake, lies in northern Zambia and offers peaceful waters, scenic landscapes and charming cascades near Mbala. Visitors can enjoy activities such as swimming, kayaking, fishing and exploring local fishing villages, making it an ideal spot for both relaxation and adventure.

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2024 at a Glance



2024 at a Glance



Defining Our Focus



Our Vision

To be a world-class and diversified airport and air navigation business.



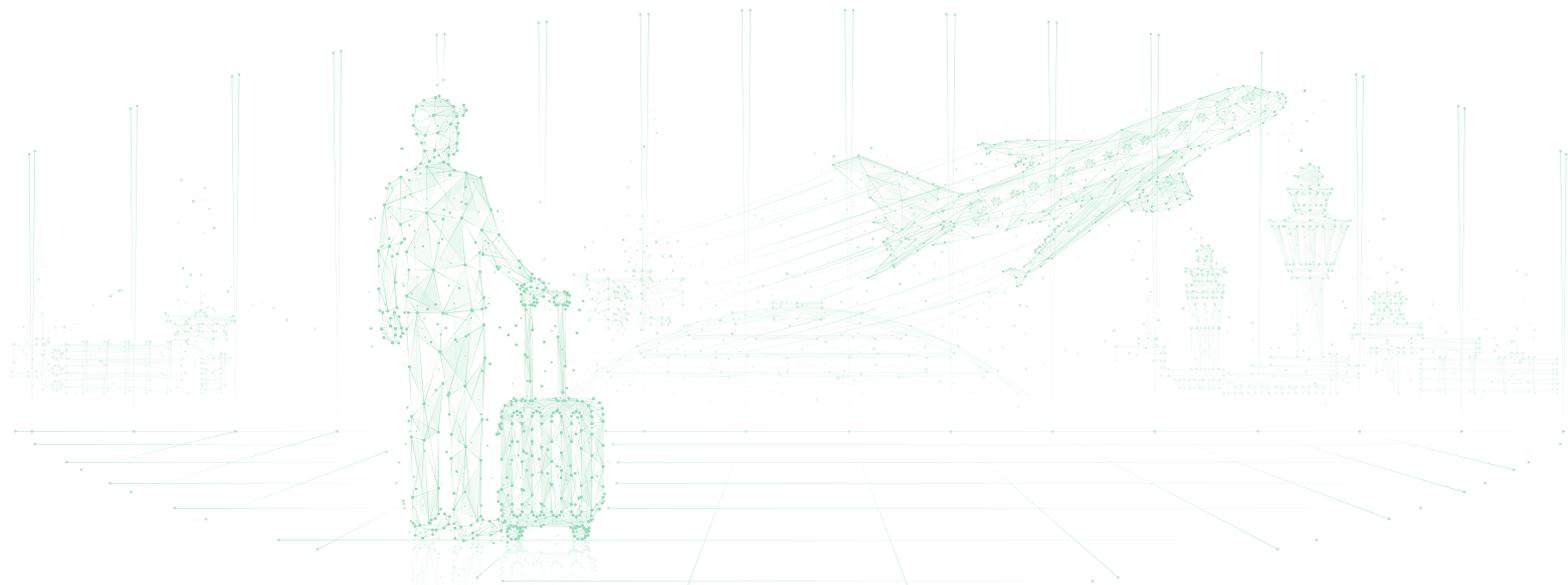
Our Mission

To effectively and efficiently develop, manage and operate airport and air navigation infrastructure to international standards, meeting our stakeholders' values in an environmentally friendly manner, while profitably contributing to national economic development.

Unlocking Potential: Our Strategic Proposition

The **2022 – 2026 Strategic Plan** provides a comprehensive roadmap for our short, medium, and long-term goals. By setting clear objectives, our strategy is designed to guide us towards success. Our primary focus is on achieving the following strategic goals:

- ✈ To enhance financial sustainability and resilience.
- ✈ To re-imagine customer experience.
- ✈ To reinvent the Corporation.
- ✈ To attain aviation safety and security leadership.
- ✈ To create a positive work environment.
- ✈ To transform KKIA into a SADC aviation hub.
- ✈ To promote environmental sustainability.



Our Core Values



Integrity

We firmly adhere to moral and ethical standards in all stakeholders.



Employee motivation

Our employees are our number one asset, and we commit to make the work environment conducive.



Responsibility

We take full responsibility for our actions and non-actions related to our business and environmental protection.



Communication

We effectively engage our staff, customers, shareholders and other stakeholders and obtain insights for improvement.



Teamwork

We recognise that we achieve more when we work together in teams, together with clients and stakeholders.



Customer Focus

We commit to meet customer expectations.



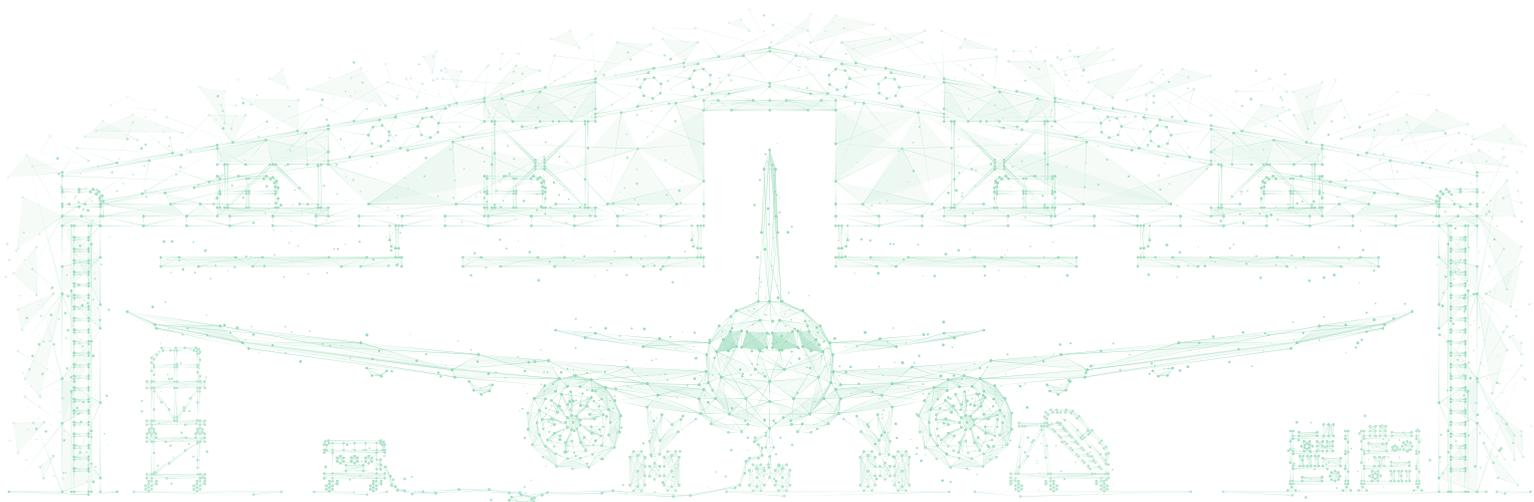
Quality

We commit to deliver quality service in a professional manner.

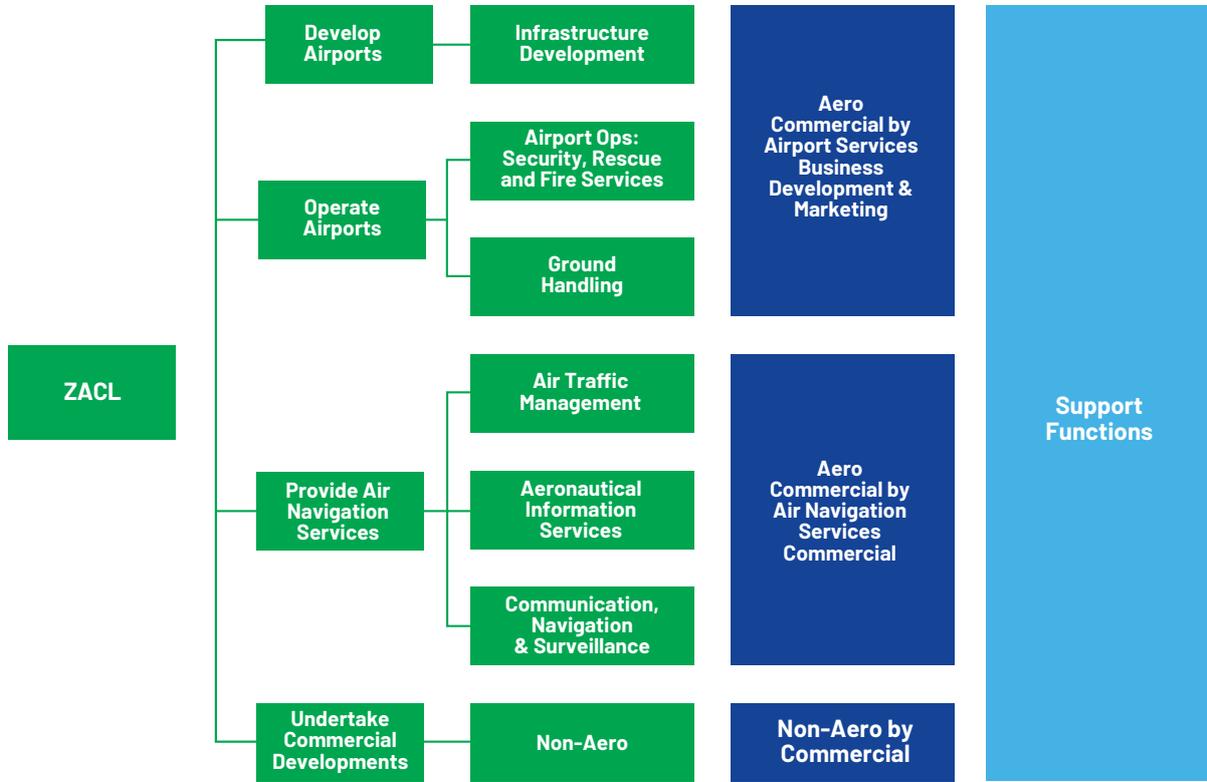


Safety & Security

We commit to serve our customers, shareholders and other stakeholders safely and securely.



Our Value Generation Model







Acronyms

ACA	Airport Carbon Accreditation
ACI	Airports Council International
AIS	Aeronautical Information Services
ANS	Air Navigation Services
APS	Airport Services
ARC	Audit, Risk and Compliance Committee
ATC	Air Traffic Control
ATM	Air Traffic Management
BCMS	Business Continuity Management System
CAA	Civil Aviation Authority
CEC	Copperbelt Energy Corporation
CNS	Communication, Navigation and Surveillance
CSR	Corporate Social Responsibility
DVOR	Doppler Very High-Frequency Omnidirectional Range
EMS	Environmental Management System
ESG	Environmental, Social and Governance
HMNIA	Harry Mwaanga Nkumbula International Airport
IATA	International Air Transport Association
ICAO	International Civil Association Organisation
KKIA	Kenneth Kaunda International Airport
MAPs	Million Annual Passengers
MIA	Mfuwe International Airport
NAVAIDs	Navigation Aids
NDB	Non-Directional Beacons
OTP	On-Time Performance
RCAG	Remote Communications Air-Ground
RFS	Rescue and Fire Services
SABS	South African Bureau of Standards
SDGs	Sustainable Development Goals
SMKIA	Simon Mwansa Kapwepwe International Airport
SMS	Safety Management System
QMS	Quality Management System
USOAP	Universal Safety Oversight Audit Programme
WASH	Water, Sanitation and Hygiene
ZACL	Zambia Airports Corporation Limited



Our Regulator



International Organisations Memberships



Certifications



Airlines



✓ 2024 Highlights

2,271,355

Passengers
Safely Facilitated



63,216

Aircraft
Movements
Safely Handled



16 Scheduled Airlines Serviced



15 Scheduled Airlines Provided
with Ground Handling Services



1,212 Employees

↻ A look at the last 5 years



7,286,076

Passenger Movements



231,399

Aircraft Movements



75,865

Overflights



19,042,568.62

Kilograms of Cargo Handled



Board of Directors as at 31st December 2024



01 Mr. Zevyanji Sinkala
Chairperson



02 Dr. Frank Munthali
Vice Chairperson



03 Mr. Mulele Maketo Mulele
Member



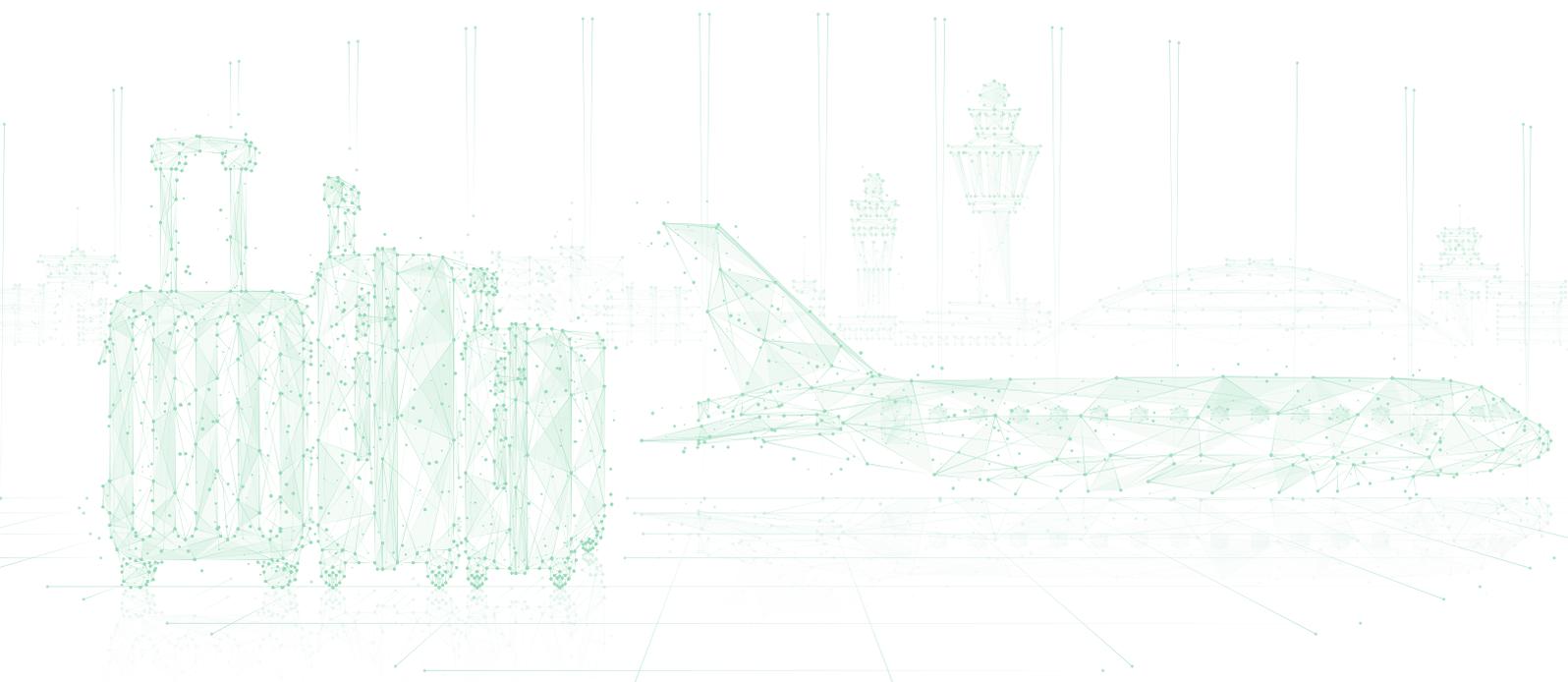
04 Mrs. Irene Bwalya Muloshi Tembo
Member



05 Mrs. Ngoza Kasunga Matakala
Managing Director



06 Mrs. Shubayi Chatora Kalumba
Corporation Secretary





Management



01

01

Mrs. Ngoza Kasunga Matakala
Managing Director



02

02

Ms. Gillian Mazimba
Director Finance



03

03

Mr. Joseph Mumbi
Acting Director Airport Services
(until August 2024)



04

04

Mrs. Harriet Angetile
Director Airport Services
(from September 2024)



05

05

Mr. Daniel Longwe
Director Corporate Planning and Strategy
(from July 2024)



06

06

Mrs. Khetiwe Lubinga Nyirenda
Acting Director Corporate Planning and Strategy
(until June 2024)



07

07

Mrs. Shubayi Chatora Kalumba
Corporation Secretary
(until July 2024)



08

08

Mrs. Malama Siamoondo
Corporation Secretary
(from August 2024)



09

09

Mr. Zephania Sholobela
Director Air Navigation Services



10

10

Mr. Patrick Tembo
Acting Director Human Resources
(until May 2024)



11

11

Mrs. Mwiche Namukoko
Director Human Resources
(from June 2024)



12

12

Mr. Kephias M. Phiri
Director Commercial Services



2024 Statistical Highlights

METRIC	2023	%Change	2024
Total Operating Revenue	K942M	41.6%	K1,333M
Aeronautical Revenue	K871.6M	41.5%	K1,233M
Non-Aeronautical Revenue	K70.6M	41.9%	K100.14M
General Passengers	2,056,312	10.5%	2,271,355
Enplaned Passengers	689,521	8.2%	746,348
Scheduled Airlines	16	0%	16
Cargo (K)Tonnes	18,056	5.5%	19,043
Aircraft Movements	60,991	3.6%	63,216
Establishment	1,141	6.2%	1,212





01

Corporate Overview

Zambia Airports Corporation Limited (ZACL) is a state-owned enterprise incorporated under the Companies Act No. 10 of 2017 and wholly owned by Government of Zambia. It operates as an autonomous entity governed by both the Companies Act and the Civil Aviation Act No. 5 of 2016. Its core mandate is to develop, manage and maintain a network of four (4) designated international airports, seven (7) provincial airports, and one (1) strategic aerodrome, while also providing air navigation services across Zambia's airspace.

Driving Connectivity, Growth and Excellence

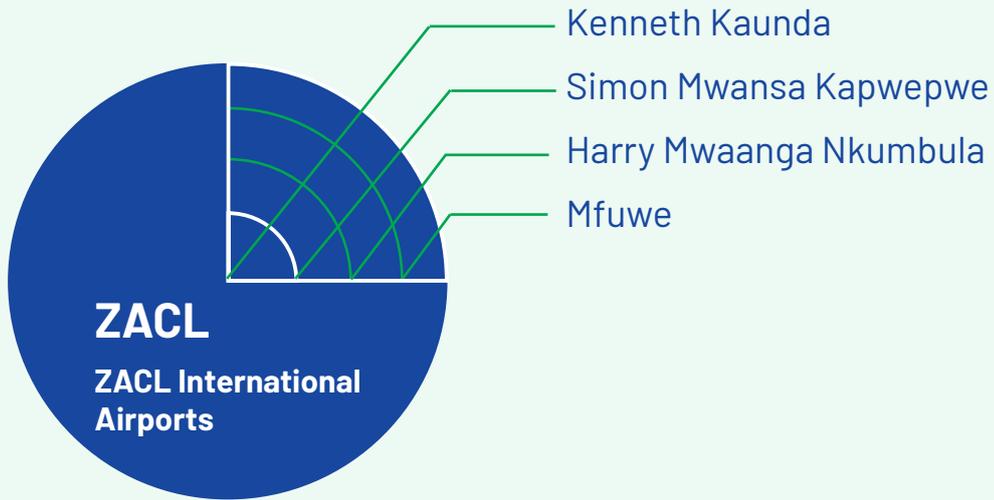
ZACL plays a key role in enhancing local and international connectivity, supporting Zambia's Vision 2030 and

the 8th National Development Plan. By promoting trade and tourism, the Corporation contributes to economic growth, job creation and increased government revenue under the Economic Diversification and Job Creation Pillar.

The Corporation generates revenue from both aeronautical sources such as passenger service charges, landing and navigation fees and non-aeronautical activities, including rentals, concessions, fuel throughput, parking and advertising. This diversified model supports financial growth and long-term sustainability.

Our Airport Network

International Airports



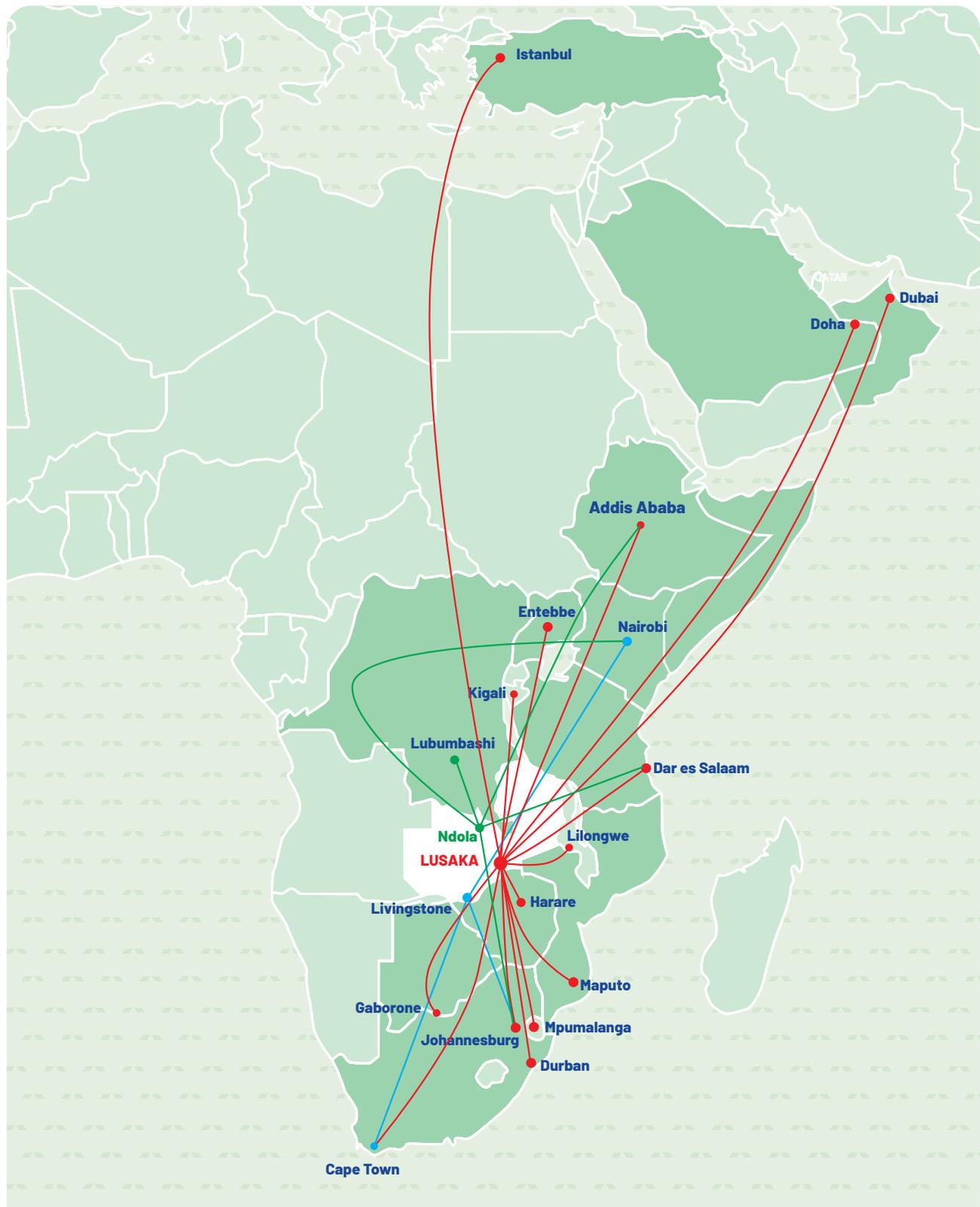
Domestic Airports

Airport under development: Choma, Kasaba Bay and Nakonde



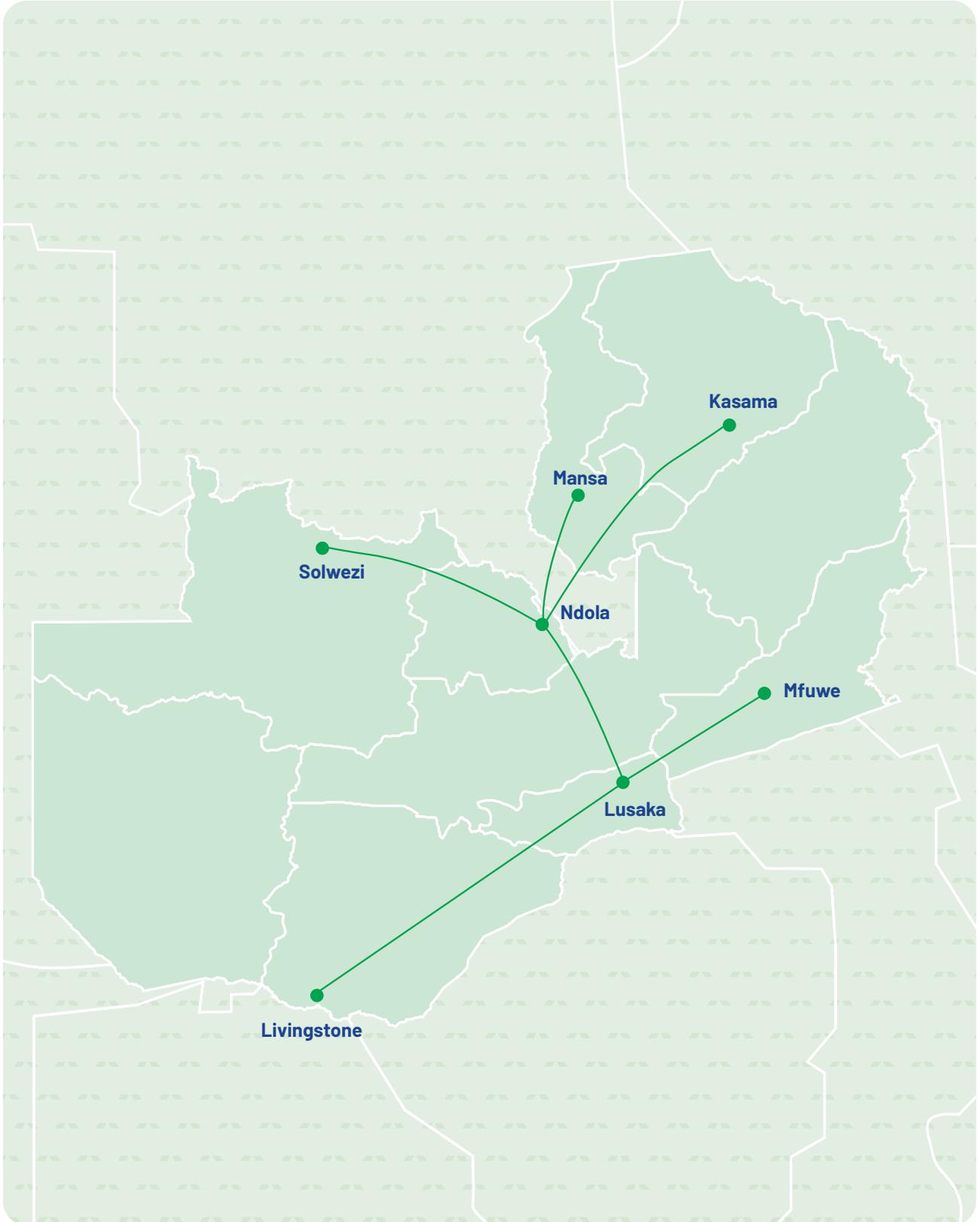


International Flights Route Map





Domestic Flights Route Map





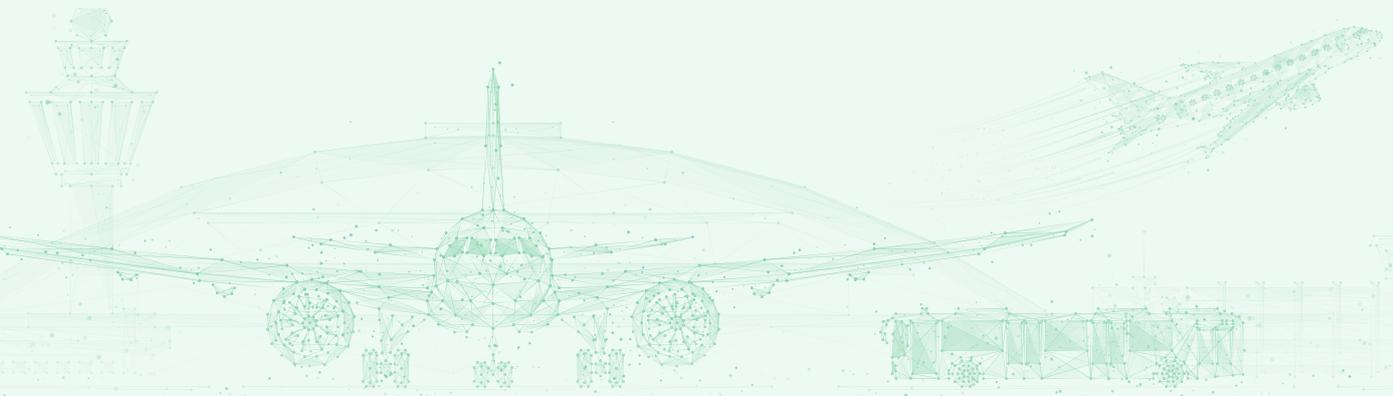
Our Airport Network Profiled

International Airports

Kenneth Kaunda International Airport



Airport Manager	Mrs. Mwamba Patience Nakambale Phiri
Distance from CBD	25.8Km from Lusaka Main Post Office
Capacity of Terminal	6MAPs (4million International Terminal & 2million Domestic Terminal)
Airlines Operating	Kenya Airways, Qatar Airways, Ethiopian Airlines, Air Botswana, Airlink, South African Airways, Malawi Airlines, RwandAir, Air Tanzania, Emirates, Turkish Airlines, Mozambique Airlines, Uganda Airlines, Zambia Airways, Proflight Zambia
Fire Category	9
Runway Size	3,962m x 46m
Parking Bays	16
Instrument Landing Systems	Available
Numbers of Taxiways	12
Airfield Ground Lighting	Category 1
Fuel Storage Capacity	1,500,000 Litres Jet A1, 150,000 Litres Avgas
Aerobridges	6
Operating Hours	24 Hours Everyday



Harry Mwaanga Nkumbula International Airport



Airport Manager	Mr. Joseph Mumbi
Distance from CBD	2.5 Km from Livingstone Main Post Office
Capacity of Terminal	1MAPs
Airlines Operating	Kenya Airways, Airlink, FlySafair, Zambia Airways, Proflight
Fire Category	7
Runway Size	3,000m x 46m
Parking Bays	12
Instrument Landing Systems	Available
Numbers of Taxiways	2
Airfield Ground Lighting	Category 1
Fuel Storage Capacity	150,000 Litres Jet A1, 28,000 Litres Avgas
Aerobridges	Nil
Operating Hours	7am - 8pm CAT

Mfuwe International Airport



Airport Manager	Mr. Oliver Chizuma
Distance from CBD	41.6Km from South Luangwa National Park
Capacity of Terminal	0.1 MAP
Airlines Operating	Proflight Zambia
Fire Category	4
Runway Size	2,200m x 30m
Parking Bays	4
Instrument Landing Systems	Nil
Numbers of Taxiways	1
Airfield Ground Lighting	Category 1
Fuel Storage Capacity	30,000 Litres Jet A1, 30,000 Litres Avgas
Aerobridges	Nil
Operating Hours	7am-6pm CAT



Simon Mwansa Kapwepwe International Airport



Airport Manager	Mr. Evaristo Maposa
Distance from CBD	14.5Km from Ndola Main Post Office
Capacity of Terminal	1MAPs
Airlines Operating	Kenya Airways, Ethiopian Airlines, Airlink, Air Tanzania, Zambia Airways, Proflight Zambia
Fire Category	7
Runway Size	3,500m x 45m
Parking Bays	15
Instrument Landing Systems	Available
Numbers of Taxiways	3
Airfield Ground Lighting	Category 1
Fuel Storage Capacity	80,000 Litres Jet A1, 28,000 Litres Avgas
Aerobridges	3
Operating Hours	6am- 8pm CAT



Operational Domestic Airports

Chipata



Airport Manager	Mr. Mwape Lungo
Distance from CBD	9.3km North-West of Chipata
Airlines Operating	No Scheduled Aircrafts
Fire Category	4
Runway Size	1,470m x 21m
Parking Bays	2
Instrument Landing Systems	Nil
Operating Hours	8am-5pm CAT
Economic Activities	Agriculture and Value Addition

Kasama



Airport Manager	Mr. Mutembo Syakango
Distance from CBD	5.6km West of Kasama
Airlines Operating	Proflight Zambia
Fire Category	4
Runway Size	1,874m x 30m
Parking Bays	2
Instrument Landing Systems	Nil
Operating Hours	8am-5pm CAT
Economic Activities	Agriculture and Tourism

 **Mansa**



Airport Manager (Acting)	Mr. Davies Kamalata
Distance from CBD	7.4km North of Mansa
Airlines Operating	Proflight Zambia
Fire Category	4
Runway Size	1,710m x 18m
Parking Bays	2
Instrument Landing Systems	Nil
Operating Hours	8am- 5pm CAT
Economic Activities	Agriculture, Mining and Tourism

 **Mongu**



Airport Manager (Acting)	Mr. Clinton Mungala (Acting)
Distance from CBD	3.7km East of Mongu
Airlines Operating	No Scheduled Aircrafts
Fire Category	4
Runway Size	1,500m x 30m
Parking Bays	1
Instrument Landing Systems	Nil
Operating Hours	8am- 5pm CAT
Economic Activities	Agriculture

 **Solwezi**



Airport Manager (Acting)	Mr. Todd Simuyandi
Distance from CBD	3.7km North-East of Solwezi
Airlines Operating	Proflight Zambia, Zambia Airways, Royal Air Charters
Fire Category	6
Runway Size	2,700m x 30m
Parking Bays	5
Instrument Landing Systems	Nil
Fuel Storage Capacity	60,000 Litres Jet A1, 29,000 Litres Avgas
Operating Hours	6am-6pm CAT
Economic Activities	Mining



02

Strategic Direction

Driven by rapid shifts in the global aviation industry, ZACL has emerged as a forward-looking and diversified enterprise. With strategic emphasis on revenue diversification, financial resilience and sustainable growth, the Corporation has repositioned its airports as vibrant commercial ecosystems, delivering long-term value that transcends their conventional role as transit points.

ZACL's airport development strategy focused on innovation and strategic optimisation over simple capacity expansion. By leveraging existing infrastructure and improving efficiency, the Corporation aimed to maximise returns on investment. Growth was anchored on commercialisation, sustainability and resilience to ensure future-ready and adaptable airport facilities.

Our Strategic Risk Management Framework

ZACL's adaptive risk management framework supports strategic alignment by proactively identifying and addressing

disruptions. A comprehensive risk register underpins this innovative approach, enabling the Corporation to navigate a dynamic operational environment effectively.

Our Business Continuity Management Framework

At Zambia Airports Corporation Limited, maintaining uninterrupted airport operations is critical. Our Business Continuity Management (BCM) Framework proactively identifies risks and implements strategies to minimize disruptions and ensure safety. The framework covers risk assessment, preparedness, response, recovery and continuous improvement. We work closely with Government bodies, airlines and emergency services to build operational resilience. Key elements include risk evaluation, detailed planning, rapid response activation and ongoing monitoring to adapt and enhance our readiness against evolving threats.





03

Our Leadership: Guiding The Future

3.1 Board Chairperson's Overview



The global aviation industry transitioned from recovery to growth, demonstrating resilience in the face of economic and geopolitical headwinds. According to the International Air Transport Association (IATA), global air passenger traffic surpassed pre - COVID 19 pandemic levels by 6.5% compared to 2019, influenced by new travel demand and improved airline performance. This growth was underpinned by

strong domestic demand, improved international connectivity, relatively stable fuel prices, improved airline profitability, increased sustainable investments and a robust rebound in the Asia-Pacific region, particularly due to a resurgence in outbound travel from China.

Here in Africa, this growth has enhanced intra-regional connectivity and increased investments in aviation infrastructure, with Zambia positioning itself strategically at the heart of this transformation. Our airports have become enablers of trade, investment and tourism, demonstrating the aviation sector's role in advancing Zambia's economic vision, through strong leadership, collaboration and a clear business strategy.

Policy Direction

The Zambian Government's 2022-2026 National Aviation Strategy has been instrumental in creating a policy environment that supports sectoral growth. This strategy, developed in collaboration with the Ministry of Transport and Logistics and key

stakeholders, aims to improve air connectivity, create employment, stimulate trade and tourism. Since the launch of the strategy, Zambia has seen the introduction of new international routes, such as Lusaka to Cape Town and Lusaka to Entebbe which reflects increased confidence in our aviation market.

In addition, investments in our provincial airports have expanded access to underserved regions in the country. The Zambia Airports Corporation Limited, (ZACL), received capital grants for some infrastructure upgrades from central government. Commissioning of the upgraded Kasama Airport, in November 2023, was particularly a proud moment, opening up Zambia's Northern Tourism circuit, with the potential of boosting local economic activity.

Strategic Direction

The Corporation has transformed from recovery to sustainable growth, by maintaining financial resilience and particular focus on enhancing passenger experience. A highlight in 2024 was the opening of the Protea Hotel at Kenneth Kaunda International Airport on 24th September 2024, in line with the aspirations of Zambia's Republican President.

In his speech opening at the Fourth Session of the 13th National Assembly on 13 September 2024, President of

the Republic of Zambia, Mr. Hakainde Hichilema, emphasised the importance of modernising, integrating and commercialising airports to maximise returns on investment, reinforcing the Corporation's focus on turning aviation infrastructure into engines of growth.

Looking Ahead

The corporation is steadfast in its commitment to innovation, excellence and sustainability. The focus remains on commercialisation, cost efficiency, infrastructure maintenance and regulatory compliance ensuring we remain agile and future ready in an evolving industry. With the 2025 aviation outlook being positive, driven by increased demand for domestic and regional connectivity, we anticipate continued momentum.

Appreciation

On behalf of Zambia Airports Corporation Limited, I express my heartfelt appreciation to the Ministry of Transport and Logistics and the Ministry of Finance and National Planning and other public agencies for their support and collaboration. Their commitment to the aviation sector has been a catalyst to our progress. I further extend my sincere appreciation to the ZACL Board of Directors for their visionary leadership and to our management team for their dedication to operational excellence. Most importantly, I commend the staff

for their professionalism and tireless service and our service partners for their active collaboration. Together, we are shaping an aviation sector that reflects Zambia's aspirations and opens our skies to new opportunities for all.



Mr. Zevyanji Sinkala

Board Chairperson



3.2 Message from the Acting Managing Director

Operational and Financial Overview



Zambia Airports Corporation Limited navigated a challenging macroeconomic environment marked by drought impacts and external pressures, yet maintained resilience and agility while advancing sustained growth, operational excellence and seamless customer experience.

The Corporation recorded a strong 10.2% year-on-year growth in passenger traffic in 2024, processing 2,271,355 passengers across its airports, up from 2,056,312 the previous year. International travel led this increase with a 12% rise to 1,686,1104 passengers, while domestic traffic grew 7% to 585,251, representing 26% of total passenger throughput.

Further, ZACL recorded 63,216 aircraft movements in 2024, a 3.6% increase from the previous year. Cargo handled rose by 5% to 19,042.57 metric tons, driven by growth in e-commerce and global maritime shipping constraints.

The introduction of direct flights by Uganda Airlines, combined with increased frequencies from South African Airways and major regional and international events held in Zambia, drove a substantial surge in passenger traffic at our international gateways.

Driven by strong passenger growth and increased operational activity, the Corporation delivered a robust financial performance in 2024. Operating revenue rose by 42% to K1.333 billion, up from K942 million in 2023. Operating expenses increased by 30.91% to K1.01 billion, reflecting higher service levels and inflationary pressures. This resulted in a commendable profit after tax of K274 million, highlighting the Corporation's operational resilience and financial discipline. The positive outcome was supported by the ongoing growth in air travel demand and the Kwacha's depreciation, which favoured the Corporation's largely US Dollar-denominated revenue. Aeronautical revenue accounted for 92.5% of total earnings, with non-aeronautical income making up the remainder.

Infrastructure Development

Rehabilitation works on airside taxiway pavements have reached 48% completion and remain on schedule for finalisation in 2025. Additionally, the opening of the Protea Hotel at KKIA has further improved passenger convenience and overall experience. Progress at Simon Mwansa Kapwepwe International Airport reached 91.45% with the airport hotel yet to be completed. Our regional airports have also seen significant progress: Kasama's civil works and lighting have been finalised, Mongu's rehabilitation is nearing completion at 95% and Chipata's runway was successfully rehabilitated and reopened in November, all of which serve to strengthen regional and domestic connectivity.

Airport Safety and Security Standards

The Corporation maintained rigorous safety and security standards across all its airports through effective implementation of safety standards, focused training programmes and collaboration with key stakeholders. Zambia's aviation safety performance was demonstrated by a commendable 73.48% effective implementation score in the International Civil Aviation Organization's (ICAO) Universal Safety Oversight Audit Programme (USOAP). This score exceeded both the global average of 69.4% and the East and Southern Africa regional average of 60.71%, representing a significant improvement from 35.35% in 2009. These results highlight Zambia's steadfast

commitment to aviation safety and regulatory compliance.

ZACL @ 35

The Corporation proudly celebrated 35 years of progress, marking a legacy of resilience, transformative infrastructure development and enhanced global connectivity. This achievement reaffirmed ZACL's commitment to fostering connectivity, driving growth and promoting regional integration through the continued delivery of world-class airport services that support Zambia's socio-economic aspirations.

Acknowledgements and Appreciation

With deep appreciation, I acknowledge the Board of Directors for their exceptional guidance and strategic oversight, which have been instrumental in steering the Corporation toward impactful and sustainable outcomes. I also commend the management team and staff of Zambia Airports Corporation Limited for their continued commitment to operational excellence and world-class service delivery. Your dedication and teamwork remain the driving force behind our continued progress. With this strong foundation, I am confident we will achieve even greater success in the years ahead.



Mr. Zephania Sholobela

Acting Managing Director



04

Governance

The Corporation remains committed to strong governance and ethical leadership, with robust oversight mechanisms in place to ensure accountability and operational effectiveness.

The Board delegates specific functions to four (4) well-structured sub-committees, without relinquishing its overarching responsibilities. Each committee operates in accordance

with clearly defined terms of reference, which outline its composition, duties, responsibilities and the scope of its delegated authority.

Board Meetings

The Board held four (4) scheduled meetings and fifteen (15) special meetings. The attendance was as follows:

Name	Meetings Attended		Total No. of Meetings Attended
	Scheduled	Special	
Mr. Zevyanji Sinkala - Board Chairperson	4	15	19
Dr. Frank Munthali - Vice Chairperson	4	15	19
Mrs. Irene Bwalya Muloshi Tembo	4	15	19
Mr. Mulele Maketo Mulele	3	14	17
Mrs. Ngoza Matakala	3	10	13

Board Committee Meetings

a. The Audit, Risk and Compliance Committee (ARC)

The ARC supports the Board by overseeing strategic planning, financial reporting, risk management, internal controls, performance

evaluation, auditing and regulatory compliance.

The Audit, Risk and Compliance Committee had four (4) scheduled meetings and two (2) special meetings during the year.:

Name	Meetings Attended		Total No. of Meetings Attended
	Scheduled	Special	
Mr. Mulele Maketo Mulele - Chairperson	4	2	6
Mr. Eddie Mwitwa - Vice Chairperson	4	2	6
Mrs. Irene Bwalya Muloshi Tembo - Member	4	2	6
Mrs. Lucy Kabwe Mutambo- Member	4	2	6

b. Finance and Capital Projects Committee

The Committee supports its oversight responsibilities by actively engaging in the budgeting process, setting financial objectives, guiding resource allocation, overseeing capital structure management, and

evaluating capital expenditures, investments and business development initiatives.

The Finance and Capital Projects Committee had four (4) scheduled Meetings and two (2) special meetings during the year.

Name	Meetings Attended		Total No. of Meetings Attended
	Scheduled	Special	
Dr. Frank Munthali - Chairperson	4	1	5
Mr. Matete Sichizya - Vice Chairperson	4	1	5
Mr. Mulele Maketo Mulele -Member	4	1	5
Mr. Francis Mundanya Member	4	1	5
Mrs. Ngoza K. Matakala - Managing Director	3	1	4

c. Appointments, Remuneration and Human Relations Committee

The Committee supports the Board of Directors in providing oversight and policy guidance on appointments, remuneration, human resource

matters and related administrative policies.

The Appointments, Remuneration and Human Relations Committee had four (4) scheduled Meetings and eight (8) special meetings during the year.:

Name	Meetings Attended		Total No. of Meetings Attended
	Scheduled	Special	
Mrs. Irene Bwalya Muloshi Tembo – Chairperson	4	8	12
Mrs. Jean Chilikwela – Committee Member	4	8	12
Mr. Brighton Mwiinga – Member	4	8	12
Dr. Frank Munthali – Member	4	8	12
Mrs. Ngoza K. Matakala – Managing Director	3	5	8

d. Investments, Technology and Innovations Committee

The Committee supports the Board of Directors in providing oversight and policy guidance on investment initiatives, guiding the adoption of emerging technologies, promoting

innovation-led development and evaluating related projects to ensure alignment with the Corporation’s long-term objectives.

The Investments, Technology and Innovations Committee had four (4) scheduled meetings:

Name	Meetings Attended		Total No. of Meetings Attended
	Scheduled	Special	
Mr. Mulele Maketo Mulele – Chairperson	4	-	4
Mr. Herman Kambo – Committee Member	4	-	4
Mr. Sichizya Matete – Committee Member	4	-	4
Mrs. Ngoza K. Matakala – Managing Director	3	-	3

Board Performance Contract and Evaluation

The Board of Directors was appointed by the Minister of Transport and Logistics in September 2022. During the period under review, performance

monitoring in accordance with the Board Performance Contract and Annual Scorecard was conducted through bi-annual assessments, in line with the provisions of the ZACL Board Charter.



05

Aviation Sector Performance Overview

Global Performance

According to the International Air Transport Association (IATA), key performance indicators for global air traffic in 2024 reflect a year of robust growth and enhanced operational efficiency compared to both 2023 and pre-pandemic levels. The details are outlined below:

- Total air passenger traffic grew by 10.4% compared to 2023
- Traffic exceeded pre-pandemic levels by 3.8%
- Available Seat Kilometers (ASK) increased by 8.7%
- Global load factor hit a record high of 83.5%
- International traffic grew 13.6% with capacity going up 12.8%
- Domestic traffic rose 5.7% with capacity going up 2.5%
- December 2024: Demand +8.6%, Capacity +5.6%, Load Factor 84%

International Highlights

In domestic markets, China led the way, with domestic traffic increasing by 12.3% over 2023. Japan and India also saw steady performance, with Japan achieving a 3.2% growth despite a slight contraction in capacity. India's domestic load factor remained the highest globally at 86.4%,

despite a minor dip. Internationally, demand growth was driven by the continued reopening of major markets, including China, which had a significant impact on Asia-Pacific traffic. However, international travel to and from China remained slightly below pre-pandemic levels.

Domestic Performance: Zambia's Aviation Highlights

Overall, Zambia's aviation sector recorded strong performance, with total passenger traffic rising by 10.2% year-on-year. Growth was led by international traffic, which rose by 11.4%, reflecting sustained demand on key regional and intercontinental routes. Domestic passenger traffic also posted a solid increase of 6.9%, underscoring a healthy and resilient local market. This growth was largely driven by increased business and leisure travel, supported by the expansion of regional routes and enhanced connectivity between key cities such as Lusaka, Ndola, Livingstone and Mfuwe.

Despite this significant progress Harry Mwaanga Nkumbula International Airport has not yet fully recovered to pre-Covid levels.



06

Operational Performance

Five Year Consolidated Aeronautical Business Performance

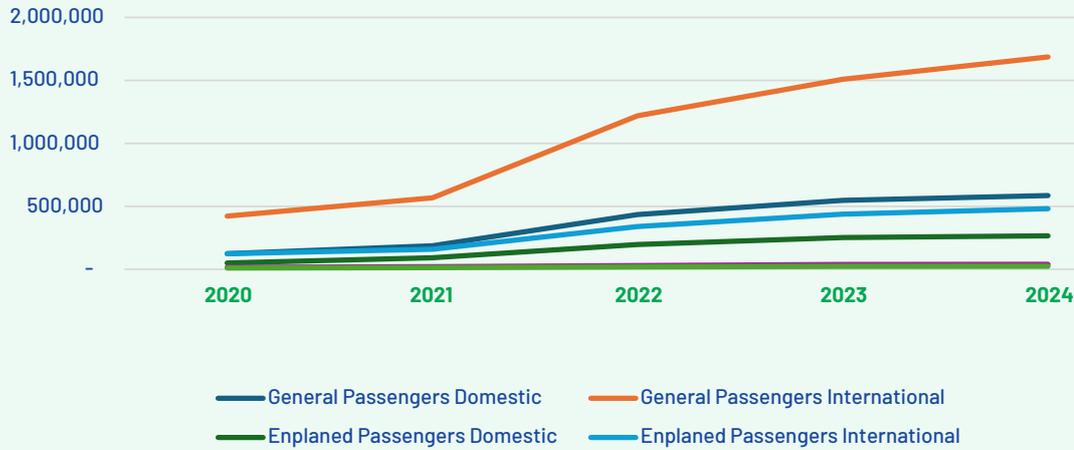
Performance of the aeronautical business, covering enplaned passenger

volumes, aircraft movements, overflights, cargo throughput and on-time performance.

Table 1: Five Year Consolidated Aeronautical Performance

CONSOLIDATED						
	General Passengers		Enplaned Passengers		Aircraft Movements	
Year	Domestic	International	Domestic	International	Domestic	International
2020	123,818	422,066	49,713	123,270	15,597	9,415
2021	186,791	567,139	91,078	158,564	20,710	13,274
2022	434,364	1,218,713	196,336	338,749	29,534	18,662
2023	547,264	1,509,048	251,904	437,617	38,390	22,601
2024	585,251	1,686,104	265,427	480,921	39,582	23,634
Total	1,877,488	5,403,070	854,458	1,539,121	143,813	87,586

Five Year Consolidated Aeronautical Performance (2020-2024)



General Passengers

KKIA remained dominant, handling 74% of total passenger movements. It was followed by SMKIA with 13%, HMKIA

with 8% and Mfuwe with 1%. Domestic airports collectively accounted for the remaining 2%.

Table 2: Distribution of General Passengers by Airport

Airport	International	Domestic	Total	% Share
KKIA	1,395,192	285,803	1,680,995	74%
SMKIA	163,746	140,374	304,120	13%
HMNIA	126,338	66,023	192,361	8%
MIA	828	31,334	32,162	1%
Domestic Airports	-	61,717	61,717	3%
Total	1,686,104	585,251	2,271,355	100%

Enplaned Passengers

The Corporation recorded an 8.2% increase in enplaned passengers in 2024, reaching 746,348 up from 689,521 in 2023, reflecting strong and sustained demand across both international and domestic routes. KKIA continued to serve as the primary outbound hub,

accounting for 70% of total enplaned passengers, followed by SMKIA, HMKIA and Mfuwe airports contributing 15%, 10%, and 2%, respectively. Domestic airports collectively accounted for the remaining 3%. The full distribution is shown in the graph below:

Table 3: Enplaned Passengers Per Airport

Airport	International	Domestic	Total	% Share
KKIA	390,084	130,926	521,010	70%
SMKIA	47,035	62,302	109,337	15%
HMNIA	43,297	32,709	76,006	10%
MIA	505	15,239	15,744	2%
Domestic Airports	-	24,251	24,251	3%
Total	480,921	265,427	746,348	100%

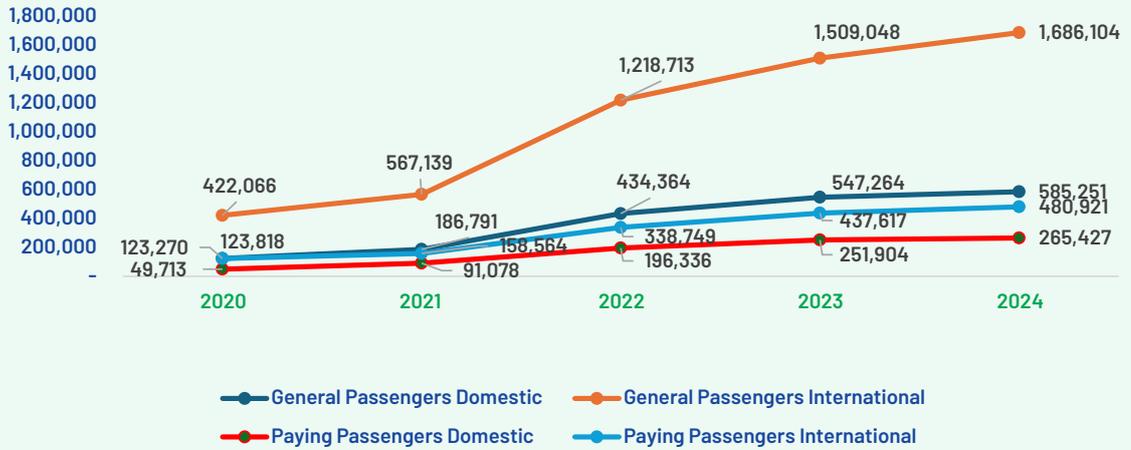
Trends in Enplaned and General Passengers

The graph below illustrates passenger traffic trends in Zambia’s aviation sector from 2020 to 2024. Between 2023 and 2024, domestic traffic grew by 6.9%, while international traffic increased by 11.7%. The rise in domestic travel was supported by competitive airfares, Proflight Zambia’s launch of the new Kasama route and a surge in nationwide

professional association meetings, collectively boosting demand for intercity air travel.

The increase in international passenger numbers was primarily driven by the hosting of high-profile international events, the introduction of Uganda Airlines’ Entebbe–Lusaka service and improved load factors across several international carriers.

Consolidated General And Enplaned Passengers



Commercial Aircraft Movements

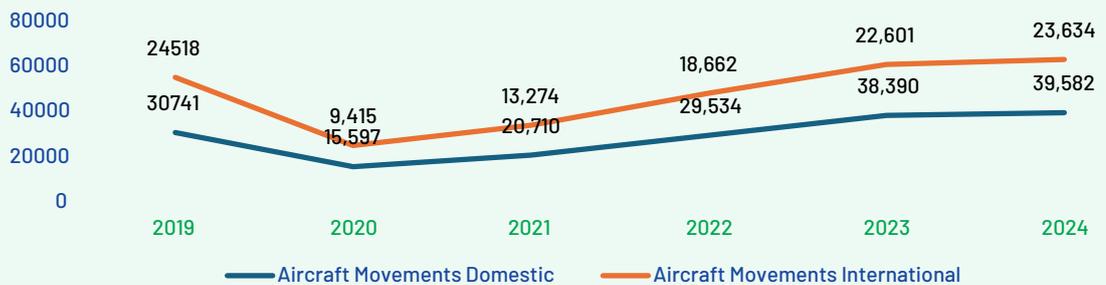
The Corporation recorded 63,216 aircraft movements in 2024, marking a 3.6% increase compared to 2023. Domestic movements rose by 3.1%, reaching

39,582, while international movements grew by 4.6% to 23,634. A detailed breakdown is presented in the graphs below.

Table 4: Aircraft Movements Per Airport-2024

Airport	International	Domestic	Total	% Share
KKIA	17,550	23,169	40,719	64%
SMKIA	2,666	5,599	8,265	13%
HMNIA	3,011	4,168	7,179	11%
MIA	407	2,380	2,787	4%
Aerodromes	-	4,266	4,266	7%
Total	23,634	39,582	63,216	100%

Trends in Aircraft Movements: 2019-2024



KKIA remained the leading airport in terms of aircraft movements in 2024, accounting for 64% of the national total. It was followed by SMKIA, HMKIA and Mfuwe, which contributed 13%, 11% and 4%, respectively. Domestic airports collectively accounted for 7%, up from 5% in 2023, reflecting increased regional connectivity.

Overflights

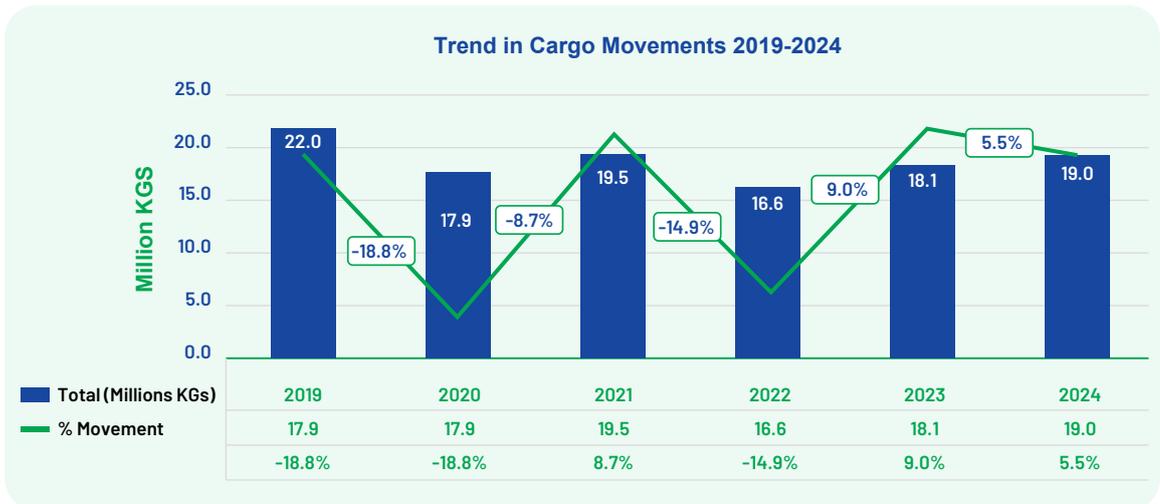
The Corporation recorded 19,506 overflights in 2024, representing a marginal 0.4% decline compared to the previous year. This slight reduction was primarily attributed to the suspension of certain carriers operating within Southern Africa and the continued closure of Niger’s airspace to French-registered aircraft. The graph below illustrates overflight trends over the period 2019 to 2024.



Cargo Volumes

Cargo and mail volumes totalled 19,042,569 kilograms, reflecting a 5.5% increase on the previous year. This growth was largely attributed to the continued expansion of e-commerce and disruptions to global maritime

shipping, particularly arising from heightened tensions in the Middle East. Despite this upward trend, volumes remain 14% below pre-pandemic levels. The trend over time is illustrated in the graph below.



On-Time Performance

The Corporation achieved robust on-time performance (OTP) across its airport network in 2024, with the majority of airlines surpassing their OTP

benchmarks. Performance highlights from all international airports and Solwezi Airport reflect continued improvements in operational efficiency.

Table 5: Average OTP Per Airport

Average Annual OTP Per Airport					
Airport	KKIA	HMNIA	SMKIA	MFU	SLI
Average OTP	98%	95%	98%	98%	98%

Ground Handling Services

The Corporation maintained a dominant position in the ground handling segment, servicing 15 of the 16 scheduled airlines operating at its four international airports and selected provincial aerodromes, representing a market share of 93.7%. The addition of

Uganda Airlines flights to Lusaka further expanded the network of carriers relying on ZACL's ground handling services. Additionally, the Corporation continued to support charter operations, delivering efficient and reliable services across a diverse mix of air traffic.

07

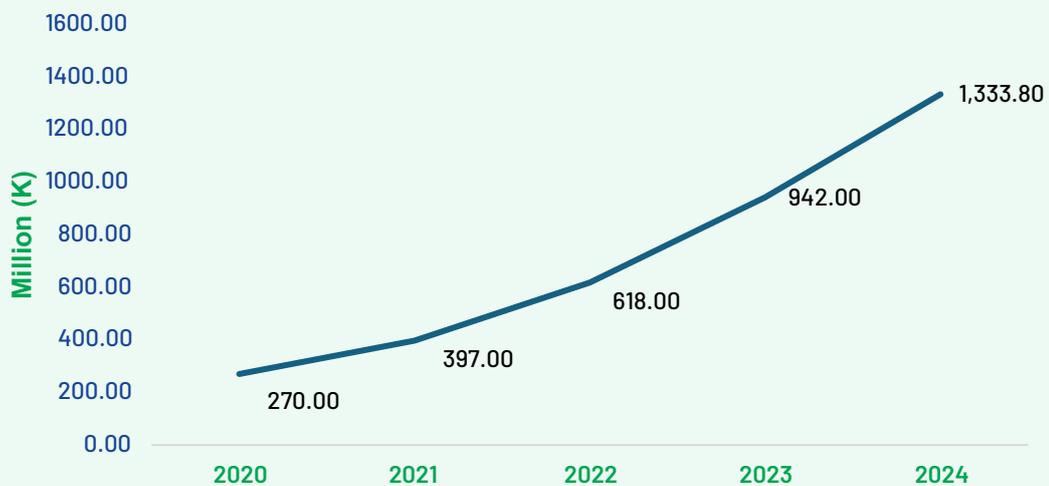
Financial Performance

Operating Revenue

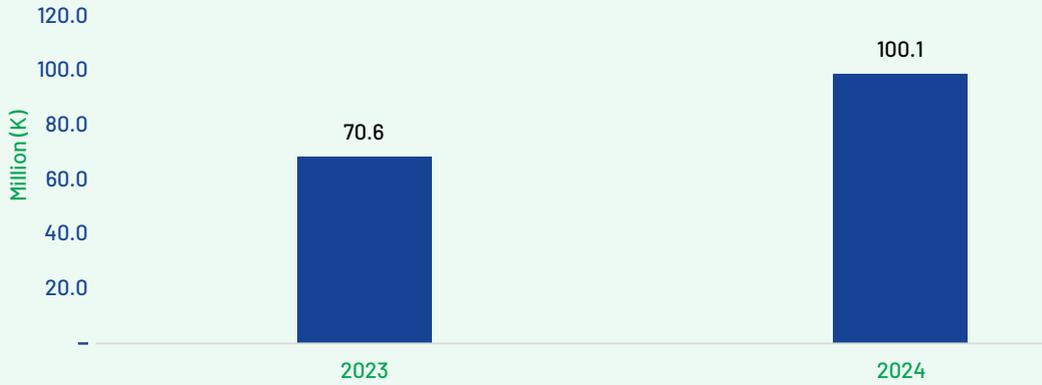
The Corporation saw an increase of 42% in operating revenue from K942 million in 2023 to K1.333 billion in 2024, driven by higher air travel demand and kwacha depreciation, as most revenue is US

Dollar-based. Non-aeronautical revenue surged by a remarkable 41.9% in 2024, reaching K100.14 million compared to K70.6 million in 2023 and contributing 7.5% to total revenue.

Trend in Operating Revenue: 2020 - 2024



Non-Aeronautical Revenue Growth: 2023 vs 2024

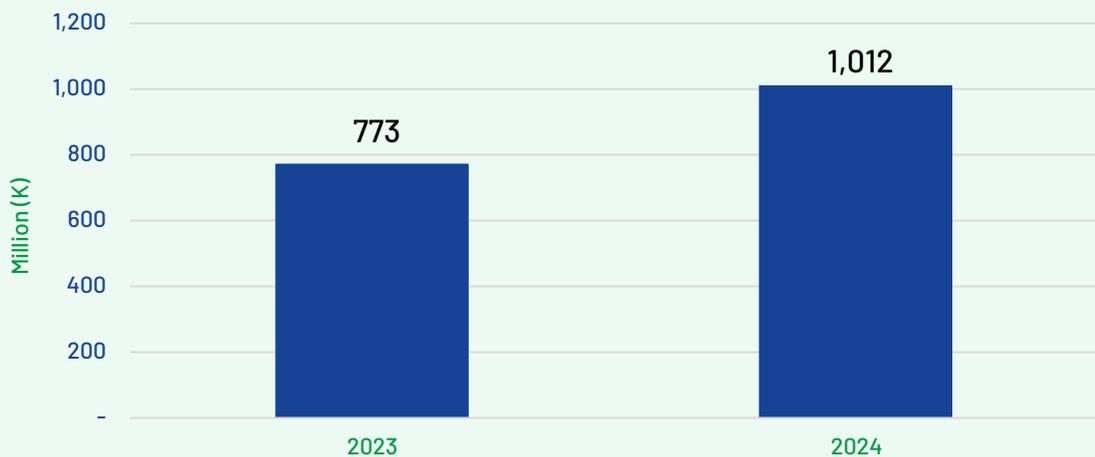


Operating Costs

Operating expenses rose by 30.91%, from K772.89 million in 2023 to K1,011.76 million in 2024, driven by higher salaries and wages to meet Civil Aviation Authority (CAA) requirements, Emoluments Commission realignments, increased

staff transport costs, and ICAO USOAP audit preparations. Despite these increases, the Corporation reported a profit after tax of K274 million. The chart below shows operating revenue between the two periods.

Operating Expenses: 2023 vs 2024



Employee costs increased by 19.65% to K571 million in 2024 from K477.2 million in 2023. This increase is attributed to the

harmonisation and increment in salaries provided to non-unionised employees during the period under review.

08

Infrastructure Highlights

Aviation Infrastructure Development and Modernisation

a. Airport Development: Key Infrastructure Projects

The Corporation has made significant progress in executing key infrastructure projects across its airport network to enhance operational efficiency, safety and passenger experience. Below is an update on major projects:

Kenneth Kaunda International Airport

- **Hotel:** The KKIA Protea hotel opened in September 2024.
- **Taxiway Rehabilitation:** Taxiway Delta reached 48% complete and is set for completion in 2025.
- **Fencing:** Installation of 4Km's (36%) of clearvu fencing and 3.4Km's of brick fencing.

Simon Mwansa Kapwepwe International Airport

- Outstanding Works:
 - Airport hotel-35% complete.
 - Fuel farm -95.1% complete.

Mfuwe International Airport Runway Rehabilitation:

The airfield pavement rehabilitation which includes the runway, taxiway and apron, will be executed under a design-and-build model, with the existing runway repurposed as a taxiway.

Greenfield Airport Development:

Significant progress has been made in new airport projects.

- **Kasaba Bay:** Project was recommended for rescoping and redesign.
- **Choma:** A new location was identified and Government secured the land.
- **Nakonde:** Procurement of a contractor i.e. Zambia National Service (ZNS) to undertake the works was concluded.

Aerodrome Rehabilitation

ZACL initiated rehabilitation projects at Kasama, Solwezi, Mongu, Chipata and Mansa aerodromes, with significant progress achieved by the end of 2024.

- **Kasama Airport:** Outstanding civil works were completed and Airfield Ground Lighting installed and flight check calibrations were performed in June 2024 and certified as fit-for-use.
- **Solwezi Airport:** All rehabilitation works except the rescue and fire station (RFS) have been completed.
- **Mongu Airport:** Rehabilitation was 95% complete with additional works at 85%. A new greenfield airport site has been secured.
- **Mansa Airport:** Runway and airside upgrades began in August 2024.
- **Chipata Airport:** Runway rehabilitation was completed and the airport reopened in November 2024.

b. Aviation Infrastructure and Navigation Systems

ZACL successfully implemented several critical infrastructure projects, which included the installation of Non-Directional Beacons (NDBs), power backup solutions and system upgrades.

Key Achievements

- Solwezi NDB and Power Backup Inverter installed.
- Kasama Radio Frequency System (RFS) and Air Traffic Control (ATC) Consoles fabricated.
- Mansa NDB Installed.
- Navigation Aids (NAVAIDs) Sites Surveys conducted to facilitate land title acquisition for all navigation aid sites.
- Livingstone NDB Shelter Rehabilitation.
- KKIA Doppler Very High-Frequency Omnidirectional Range (DVOR) Remote Status Indicator Project implemented and deployed a Navigation Aids Remote Monitoring System.
- Mongu- Introduced a Remote Communication Air-Ground (RCAG) Solar Backup Power and installed a new NDB Installation.
- LW NDB / shelter rehabilitation - The project involved beacon installation, Civil and Electrical works.

09

Redefining Customer Experience

ZACL reinforced its commitment to customer-focused strategies by prioritising the needs of its passengers to drive business growth and deliver long-term value. The Corporation enhanced stakeholder engagement through a series of strategic site visits across all airports and aerodromes from February to July, gaining first-hand insights into service delivery challenges

and aligning operational priorities with customer expectations.

The Corporation's efforts and commitment to ensuring a seamless experience for all its stakeholders was reflected in a customer satisfaction score of 95.4%, an increase of 8.8 percentage points from the 86.6% 2023 score



To further improve the passenger experience, ZACL introduced a QR code system in terminal buildings, enabling quick access to contact details, FAQs, support guides and service request forms, reducing waiting times and offering real-time assistance.

During Customer Service Week in October, passengers were treated

to complimentary confectionery and beverages across all airports. This initiative, alongside continuous feedback-driven improvements, highlighted ZACL's dedication to strengthening stakeholder relations and enhancing service quality.





10

Aviation Safety and Security

The Corporation maintained strong systems for crisis prevention and emergency response to protect airport infrastructure, keep operations running smoothly, and guard against unlawful interference. By consistently applying strict safety measures, the Corporation strengthened its ability to respond to disruptions and ensured that high security standards were upheld across all airports.

Maintenance of Mission-Critical Equipment and Infrastructure

ZACL prioritised the performance and reliability of mission-critical systems to ensure seamless operations across air navigation, ground handling and passenger services. Further, ZACL partnered with global technology leader Thales to modernise its air traffic management systems, aiming to enhance surveillance, communication and navigation capabilities. This strategic collaboration is set to improve flight efficiency, reduce delays and elevate safety standards across Zambian airspace.

Rescue and Fire Services

ZACL strengthened airside safety and emergency preparedness in 2024 through strategic operational upgrades. A modern LPG-fuelled hot fire simulator was commissioned to replace the outdated tyre-burning method, providing a sustainable, cost-effective platform for scenario-based training in line with CAA and ICAO standards. Additionally, the deployment of wildlife hazard management vehicles at KKIA, HMNIA and Mfuwe International Airports significantly reduced the risk of bird and wildlife strikes, enhancing aircraft safety and operational efficiency.

Universal Safety Oversight Audit Programme (USOAP) Audit

Zambia achieved an impressive 74.5% score in the ICAO Universal Safety Oversight Audit Programme (USOAP), well above the global average of 67.68% and the regional average of 55.66%. This notable achievement underscores the nation's strong commitment to upholding international aviation safety standards

through robust regulatory oversight, continuous personnel development and ongoing investment in infrastructure.

Aviation Security

Zambia Airports Corporation Limited remains firmly committed to aviation security as a cornerstone for safe and seamless air travel. In response to emerging threats, ZACL is integrating advanced technologies, supported by strong protocols and skilled personnel. These efforts enhance oversight, protect restricted areas and prevent security breaches.

Our Safety Management System

Significant progress was made in the implementation of the Safety Management System (SMS), reaching 86%, a substantial increase from 46%

in 2023. ZACL continued to enhance SMS protocols across all airports, placing particular emphasis on hazard identification and risk assessment frameworks.

Quality Management System (QMS)

ZACL remains committed to enhancing customer satisfaction through its Quality Management System (QMS). In 2024, the Corporation underwent a surveillance audit at KKIA and HMNIA by the South African Bureau of Standards (SABS), confirming compliance with ISO 9001:2015. Fourteen non-conformities (8 major and 6 minor) were identified and have since been resolved, ensuring the continued validity of the QMS certification.

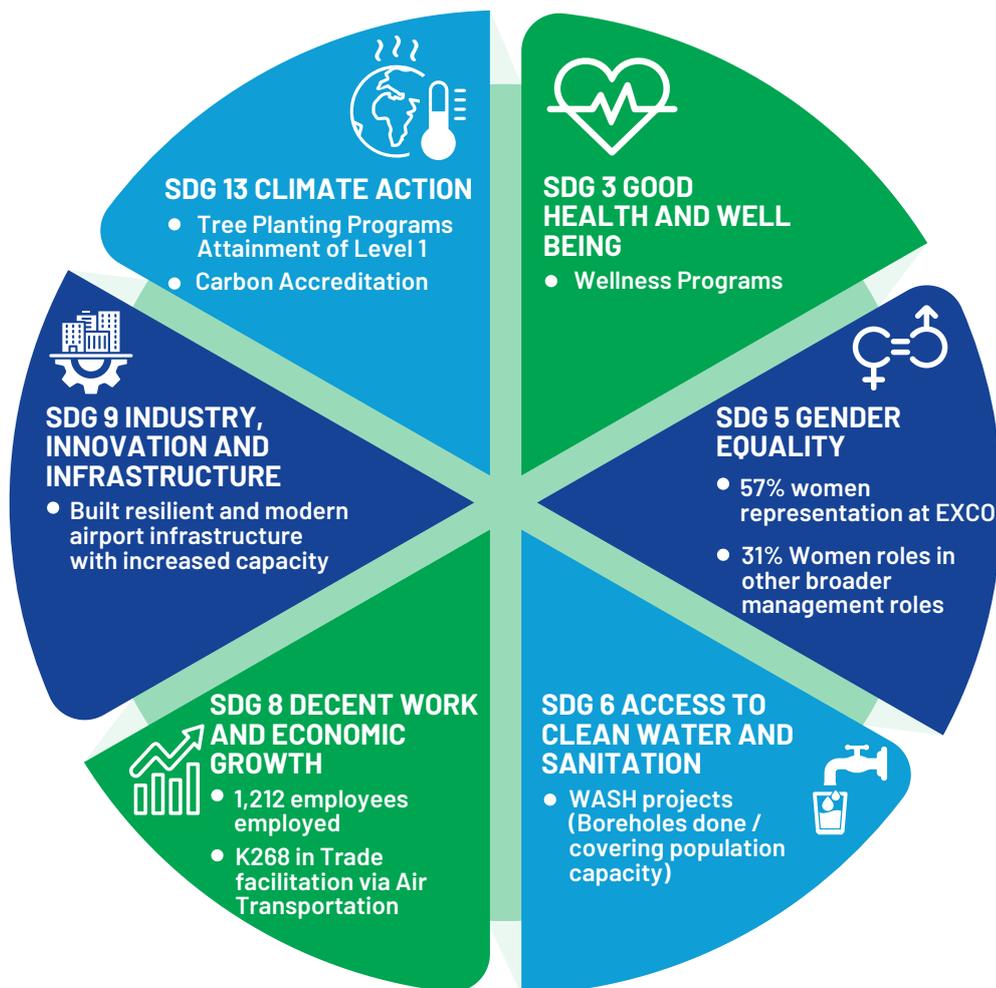


11

Environmental, Social and Governance (ESG)

The Corporation is dedicated to fully integrating Environmental, Social and Governance (ESG) principles across all operations to drive sustainable growth. By aligning with international best practice, ZACL is committed to

minimising environmental impact, fostering inclusive social development, maintaining strong governance standards and delivering lasting value to all stakeholders, while advancing critical Sustainable Development Goals (SDGs).



I. Environmental (E)

ZACL placed strong emphasis on implementing practical, results-oriented solutions to minimise environmental impacts across its operations. Targeted initiatives were introduced to reduce the Corporation's environmental footprint, improve operational efficiency and align with global sustainability standards. Key milestones from this green

transformation journey are highlighted below:

a. Airport Carbon Accreditation

The Corporation proudly achieved Airport Carbon Accreditation (ACA) Level 1 certification from Airports Council International (ACI) for KKIA, an important milestone that reflects the Corporation's commitment to reducing its carbon footprint and advancing environmental sustainability.



b. Transition to Solar-Powered Backup Systems

ZACL transitioned its Non-Directional Beacon (NDB) backup power systems from diesel

generators to solar energy across its airports, marking a major step towards sustainable operations. This shift reduces fossil fuel dependence and cuts emissions, supporting

the Corporation's commitment to a greener, climate-resilient future. The new solar-powered systems offer reliable and eco-friendly backup power, enhancing operational resilience.

c. Environmental Management System Implementation

An Environmental Management System (EMS) benchmarking exercise was conducted at Copperbelt Energy Corporation (CEC), enabling the Corporation to assess and improve its sustainability practices in line with best-in-class standards. Recognising the critical role of leadership in EMS implementation, ZACL initiated an awareness programme, beginning with a training session for senior management.

d. Climate Change and Biodiversity Protection

The severe 2024 drought in Zambia drastically affected wildlife habitats, forcing animals to migrate in search of food and water. HMNIA, nestled within Mosi-oa-Tunya National Park, became an unexpected refuge, with elephants and bird species drawn to its greener surroundings amid the widespread dryness.

While the increased presence of wildlife posed operational

challenges, it highlighted the importance of habitat conservation and drought mitigation. In response, ZACL worked with wildlife experts to safely manage these interactions, safeguarding both airport operations and animal welfare.

In addition to this, ZACL also engaged in a tree planting activity at KKIA to help combat climate change.

II. Social (S)

Our People -Our Assets

ZACL is committed to nurturing a workplace culture where every team member feels empowered to thrive and bring their authentic self to work. We deeply value the dedication of our workforce, whose commitment to excellence consistently delivers outstanding customer experiences. United by a shared sense of purpose, we met challenges with resilience and achieved remarkable milestones in 2024. The following highlights demonstrate the strength and impact of our human capital throughout the year:

a. Staff Complement

As of 31 December 2024, ZACL's staff headcount increased to 1,212, up from 1,141 the previous year. The Corporation continued to

offer diverse career opportunities requiring specialised skills, remaining focused on attracting top talent aligned with its core values and committed to operational excellence and positive community impact.

Throughout 2024, ZACL recruited 133 new employees to fill critical operational roles, with 121 appointed on permanent contracts and 12 on fixed-term contracts. During the same period, 52 staff separations were recorded due to resignations, retirements, deaths, dismissals, discharges and contract expirations.

b. Employee Development

ZACL remained committed to developing a skilled and future-ready workforce through robust training and development initiatives. Key focus areas included technical upskilling, regulatory compliance and customer service excellence. Mandatory training sessions certified staff across critical operations, with 351 trained in Safety Management Systems, 334 in Dangerous Goods Regulations, 462 in Human Factors, and 447 in Airside and Ramp Safety. Additionally, the Corporation supported further academic and specialised training through sponsored programmes at accredited institutions, both locally and internationally.

c. Industrial Relations

By 31 December 2024, ZACL had conducted ten staff engagement sessions. Three of these were with the union to negotiate improved employment conditions and foster a collaborative working environment. A further eight sessions took place across the Corporation, mainly to present the mid-year strategy and performance review during Town Halls. Management also responded to feedback from the 2023 staff satisfaction survey, enhancing employee engagement, motivation, and alignment with organisational goals.

d. Gender Balancing

ZACL made significant strides in advancing gender equality, with women occupying 57% of Executive Management positions (4 out of 7) and 31% of roles within the wider Management cadre. These achievements underscore the Corporation's firm commitment to diversity, inclusion and equal opportunity across all levels of the organisation.

e. Staff Satisfaction

ZACL carried out its annual Staff Satisfaction Survey to gauge employee engagement and workplace sentiment. The findings revealed a

decrease in overall satisfaction, with the Staff Satisfaction Index dropping from 79.9% in 2023 to 72.1%. Although this decline indicates areas requiring focused attention, the survey also identified key organisational strengths that will underpin future development.

Corporate Social Responsibility

ZACL remains committed to creating a positive community impact beyond aviation through its Corporate Social Responsibility (CSR) efforts. Focused on Community Empowerment, Environmental Sustainability, Cultural Heritage and WASH (Water, Sanitation & Hygiene), these initiatives reflect the Corporation's dedication to responsible corporate citizenship and meaningful contribution to Zambia's social and environmental well-being. Below are highlights of key CSR activities undertaken to support and uplift communities across the country:

a. Community Empowerment

ZACL reaffirmed its commitment to community empowerment by donating essential goods to Mutambo Clinic in Mfuwe on International Women's Day, enhancing women's health and wellbeing. The Corporation also partnered with VisionSpring to expand access to spectacles for students, teachers

and the wider community, addressing vision-related academic challenges. Additionally, ZACL supported Providence Home in Lusaka with a donation of sanitary towels, promoting dignity and care for girls with disabilities, further emphasising its dedication to uplifting vulnerable communities.

b. Cultural Heritage

ZACL continued to champion Zambia's cultural heritage by supporting traditional ceremonies and annual cultural events across the country. Through financial and logistical support, the Corporation played a pivotal role in preserving and celebrating the nation's cherished customs and traditions.

c. Water, Sanitation and Hygiene (WASH)

Building on its partnership with Habitat for Humanity, ZACL addressed water accessibility challenges in 2024 by constructing a water kiosk at a school in Mansa. This initiative provided clean, safe drinking water to pupils and the local community, significantly improving health and well-being.

d. Awards and Accolades

ZACL's dedication to community development was honoured with the Community Access to Water

Award at the CSR Network Awards and the Aviation Corporate Social Responsibility Award at Aviation Week Africa. These prestigious accolades highlight ZACL's commitment to improving water accessibility and its broader positive impact beyond aviation, fostering a more inclusive and sustainable society.

III. Governance (G)

The Corporation is committed to strong governance, operational excellence and ethical business practices. It upholds high standards through structured oversight, internationally recognised certifications and proactive risk

management. Key highlights include:

- Governed by a Board of Directors supported by well-structured sub-committees
- Maintains ISO 9001:2015 Quality Management System certification
- Aligned with the ISO 31000 Risk Management Framework
- Operates a robust Business Continuity Management System (BCMS)
- Dedicated to transparent stakeholder engagement and ethical conduct





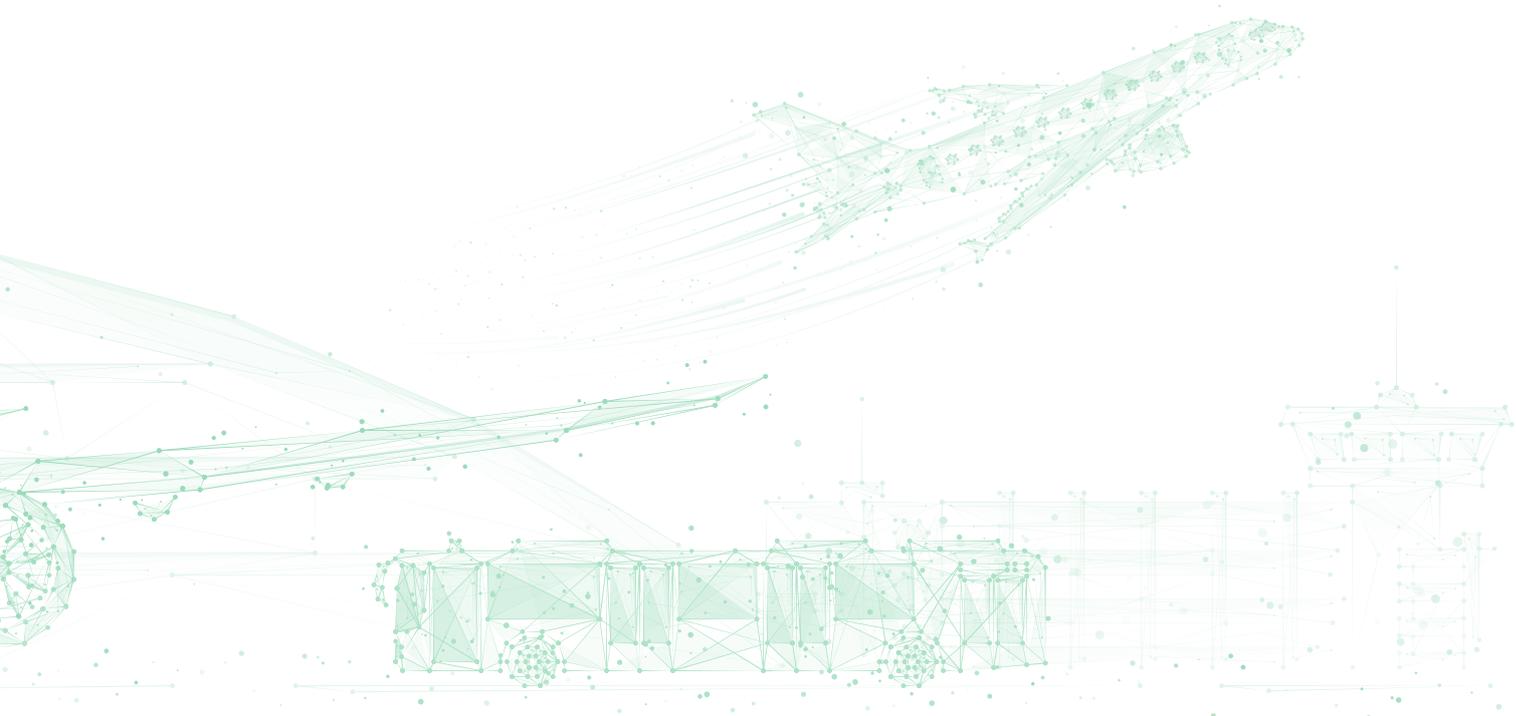
Grant Thornton

Zambia Airports Corporation Limited **Financial Statements for the year ended** 31 December 2024



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Report of the Directors

The Directors submit their report and audited financial statements for the year ended 31 December 2024.

1. Status of the Corporation

The Corporation commenced its operations on 11 September 1989 and operates under the supervision of the Ministry of Finance and National Planning and functionally under the Ministry of Transport and Logistics.

2. Principal activities

The Corporation's principal activity is the provision of airport facilities and services at designated international airports, namely Kenneth Kaunda International Airport (KKIA), Simon Mwansa Kapwepwe International Airport (SMKIA), Harry Mwaanga Nkumbula International Airport (HMNIA) and Mfuwe as well as provision of air navigation services throughout Zambia. The Corporation is also in charge of seven provincial and three strategic aerodromes.

3. Share capital

The Corporation's authorised, issued and fully paid up share capital comprises 16,458,500 ordinary shares of K1 each. There was no change in share capital during the year.

4. Results

The Corporation's results are as follows:

Revenue	2024 K	2023 K
Operating revenue	<u>1,333,776,356</u>	<u>942,229,883</u>
Profit before tax	329,621,588	218,489,373
Income tax expense	(56,028,456)	(12,019,657)
Profit after tax	<u>273,593,132</u>	<u>206,469,716</u>

The Corporation achieved operating revenue of K1.334 million during the twelve months to 31 December 2024 compared to K942 million for the previous 12 months. Operating costs during the period amounted to K1,012 million (2023: K773 million) resulting in a profit after tax of K274 million (2023: K206 million).

Report of the Directors (Continued)

5. Dividends

The Corporation made a Profit after tax of K274 million for the year ended 31 December 2024 (2023: K206 million). The Directors do not recommend a dividend for the year ended 31 December 2024.

6. Directors and Secretary

The Directors and the Secretary who served during the year and at the time of signing these financial statements were as follows:

Mr. Zevyanji Sinkala	-	Chairperson
Dr. Frank Munthali	-	Vice Chairperson
Mrs. Irene Bwalya Muloshi Tembo	-	Member
Mr. Mulele Maketo Mulele	-	Member
Mrs. Ngoza K. Matakala	-	Managing Director

The Secretary is:

Mrs. Malama Mushinge Siamondo – Acting Corporation Secretary

Zambia Airports Corporation Limited
Farm 4169, Off Airport Road
PO Box 30175

Lusaka

The following were the meetings held and attendance during the year

Name	Meetings Attended		Total No. of Meetings Attended
	Scheduled	Special	
Mr. Zevyanji Sinkala – Board Chairperson	4	15	19
Dr. Frank Munthali – Vice Chairperson	4	15	19
Mrs. Irene Bwalya Muloshi Tembo	4	15	19
Mr. Mulele Maketo Mulele	3	14	17
Mrs. Ngoza K. Matakala	3	10	13

Report of the Directors (Continued)

7. Industrial relations

The Corporation enjoyed industrial harmony throughout the year.

8. Employees

The Corporation had 1,212 full time employees at 31 December 2024 (31 December 2023: 1,141) and total salaries and wages paid were K571 million for the year ended 31 December 2024 (December 2023: K477 million). The increase in the number was mainly due to the additional staff recruited in the year such as ones recruited for Solwezi and other provincial airports which still required additional staff as required by the Civil Aviation Authority (CAA) as well as recruitments of Aviation Security staff at all the airports to meet the minimum required levels to meet ICAO safety audit standards which took place in August 2024. Added to this was the full implementation of the recommendations from emoluments commission's report.

The average number of employees in each month for the year was:

Month	Manpower
January, 2024	1167
February, 2024	1170
March, 2024	1189
April, 2024	1184
May, 2024	1181
June, 2024	1181
July, 2024	1169
August, 2024	1173
September, 2024	1173
October, 2024	1190
November, 2024	1216
December, 2024	1212

9. Directors' fees

Directors' fees and expenses paid during the year were K3.216 million (2023: K5.852 million).

Report of the Directors (Continued)

10. Gifts and donations

The Corporation made donations of K77,140 during the year (2023: K596,443). No donations were made towards political activities, this is in line with the Corporation's policy on donations.

11. Property, plant and equipment

Additions to property, plant and equipment totaling K140 million were made during the year (2023 – K278 million).

12. Other material facts, circumstances and events

The Corporation's performance has improved when compared to the previous year. The passenger numbers have improved from 2,061,266 in 2023 to 2,271,355 in 2024, highlighting the continued positive trajectory following full recovery to pre covid 19 heights. Increase in passenger numbers is attributed to favourable VISA policies such as waiving of entry VISA requirements for some selected originating countries which include Canada, Australia, China, USA, All EU, and Gulf states (total 43 countries waived Visas) and existing airlines expanding their route services such as Zambia Airways operations into Dar es salaam and Nairobi and Proflight operations into Kasama and expanded service via Livingstone to Cape Town. RSA flag carrier, SAA has steadily established itself on the Lusaka-Johannesburg service as evidenced by increased weekly frequencies. The Corporation also welcomed new flyers, LAM Mozambique Airlines and Uganda Airlines in May and September 2024 respectively at Kenneth Kaunda International Airport. On the downside Safair suspended operations at Harry Mwaanga Nkumbula International Airport in October 2024.

There are no major material facts or events that may adversely affect the operations of the Corporation.

13. Financial statements

The financial statements set out on pages 50 - 97 have been approved by the Directors.

14. Climate change

ZACL is implementing a Business Continuity Management System which will address Climate change events likely to cause business disruptions whilst other risks are addressed through the Enterprise Risk Management system.



Report of the Directors (Continued)

15. Auditors

The Corporation auditors, Grant Thornton, who had retired at the end of last year's Annual General Meeting, were re-appointed after a tender process and will continue in office for the next 3 years.

By order of the Board

Mrs. Malama Siamoondo

Acting Corporation Secretary

Lusaka

Date:

Statement of Directors' Responsibilities

Section 265 of the Zambian Companies Act 2017 requires the directors to prepare financial statements for each financial year which give a true and fair view of the financial position of Zambia Airports Corporation Limited and of its financial performance and its cash flows for the year then ended. In preparing such financial statements, the directors are responsible for

- designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error;
- selecting appropriate accounting policies and applying them consistently;
- making judgements and accounting estimates that are reasonable in the circumstances; and
- preparing the financial statements in accordance with the applicable financial reporting framework, and on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2017. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirm that in their opinion

- a. the financial statements give a true and fair view of the financial position of Zambia Airports Corporation Limited as of 31 December 2024, and of its financial performance and its cash flows for the year then ended;
- b. at the date of this statement there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when these fall due; and
- c. the financial statements are drawn up in accordance with the provisions of the Companies Act 2017 and International Financial Reporting Standards.

This statement is made in accordance with a resolution of the directors.

Signed at **Lusaka** on



Mr. Zevyanji Sinkala
Chairperson



Mr. Zephania Sholobela
Acting Managing Director



Independent Auditor's Report

To the Members of Zambia Airports Corporation Limited

Report on the financial statements

Opinion

We have audited the financial statements of Zambia Airports Corporation Limited ("the Corporation"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Corporation's financial statements give a true and fair view of the financial position of the Corporation as at 31 December, 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA), and we have fulfilled our other ethical responsibilities in accordance with IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is a matter that, in our professional judgement, was of significance in our audit of the financial statements for the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the matter described below to be a key audit matter to be communicated in our report.

Independent Auditor’s Report (Continued)

To the Members of Zambia Airports Corporation Limited (Continued)

Description of Matter	How the matter was addressed in our audit
<p>Classification measurement and impairment of financial assets</p> <p>Due to the complex and subjective nature of judgements made in the assumptions by the Directors over the measurement of financial assets this was considered a key audit matter.</p> <ul style="list-style-type: none"> ➤ The Directors are required to apply the forward-looking approach to recognize expected credit losses based on IFRS 9’s impairment requirements. ➤ Further, in assessing the fair value of financial assets, the Directors use a variety of valuation methods based on the classification of assets and make assumptions that are based on market conditions and other relevant valuation data existing at each reporting date. 	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> ➤ Assessing the design and implementation of the impairment model adopted with focus on compliance with the requirements of IFRS 9: “Financial Instruments”. ➤ Reviewing management’s evaluation of possible outcomes and the probability of occurrence. ➤ Checking the reasonableness of the information and ensuring the information was supported with reference to past events, current conditions as well as forecast of the future. ➤ We obtained the analysis prepared by management in calculating the fair value of the assets. ➤ We evaluated management’s valuation assumptions and changes in assumptions to ensure they were reasonable and consistent with market information and other relevant valuation data. ➤ Performed audit procedures over the valuation and accounting of investments in financial assets, to ensure that the valuation inputs applied to various valuation techniques were reasonable.

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 IFRSs, 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



Independent Auditor's Report (Continued)

To the Members of Zambia Airports Corporation Limited (Continued)

for assessing the Corporation'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 cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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

Independent Auditor's Report (Continued)

To the Members of Zambia Airports Corporation Limited (Continued)

exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

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

Other Information

The directors are responsible for the other information. The other information comprises the Report of the directors as required by the Companies Act of Zambia, the statement of Directors' responsibilities in respect of the preparation of financial statements and the detailed income statement schedules. The other information does not include the financial statements and our auditor's report thereon.



Independent Auditor's Report (Continued)

To the Members of Zambia Airports Corporation Limited (Continued)

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

The Companies Act, 2017 requires that in carrying out our audit of the Zambia Airports Corporation Limited,

we report on whether;

- i. There is a relationship, interest or debt which us, as the Corporation's auditor, have in the Corporation; and
- ii. There are serious breaches by the Corporation's directors, of corporate governance principles or practices.

In respect of the foregoing requirements, we have no matter to report.

Chartered Accountants

Christopher Mulenga (AUD/F000178)

Name of Partner signing on behalf of the Firm

Lusaka

Date:

Statement of Other Comprehensive Income

For the Year Ended 31 December 2024

	Note	2024 K	2023 K
Revenue	7	<u>1,333,776,356</u>	<u>942,229,883</u>
Expenditure			
Depreciation	10 (c)	(67,313,375)	(48,712,445)
Employee costs	Appendix 1	(571,001,188)	(477,214,942)
Other operating expenses	Appendix 2	<u>(440,756,183)</u>	<u>(295,677,365)</u>
		254,705,610	120,625,131
Other income	Appendix 1	<u>48,697,086</u>	<u>56,246,896</u>
Profit from operations		303,402,696	176,872,027
Net finance income and costs	8	26,218,892	41,605,374
Profit/(Loss) on disposals		-	11,972
Profit before tax		329,621,588	218,489,373
Income tax expense	9 (a)	<u>(56,028,456)</u>	<u>(12,019,657)</u>
Profit after tax		273,593,132	206,469,716
Other comprehensive income	11	-	891,363
Total comprehensive profit for the year		<u>273,593,132</u>	<u>207,361,079</u>

Statement of Financial Position

For the Year Ended 31 December 2024

	Note	2024 K	2023 K
Non-Current Assets			
Property, plant and equipment	10	1,030,730,160	839,968,343
Financial assets at fair value through profit or loss	11	4,537,275	4,537,275
		1,035,267,435	844,505,618
Current Assets			
Inventories	12	9,784,389	5,115,776
Trade and other receivables	13	246,011,811	233,556,667
Financial assets at amortised cost	14 (a)	14,759,286	13,118,099
Financial assets at fair value through profit or loss	14 (b)	2,746,835	2,746,835
Cash and cash equivalents	15 (a)	113,857,478	203,063,017
Increase tax recoverable	9 (c)	2,942,820	-
		390,102,619	457,600,395
		1,425,370,054	1,302,106,013
Total Assets			
Equity			
Share capital	16	16,458,500	16,458,500
Amounts received awaiting allotment of shares	17	13,928,678	13,928,678
Accumulated profit/(loss)		459,352,918	185,759,786
		489,740,096	216,146,964
Non-Current Liabilities			
Capital grants	18	520,454,894	538,273,984
Long-term loans	19	14,024,042	120,862,017
Deferred liability	20	69,926,603	78,716,218
		604,405,539	737,852,219
Current Liabilities			
Short term portion of long-term loans	19	103,945,576	86,723,659
Trade and other payables	21	172,112,955	229,326,034
Income tax payable	9 (c)	-	23,166,452
Deferred tax liability	9 (f)	44,275,203	-
Deferred liability	20	10,890,685	8,890,685
		331,224,419	348,106,830
		1,425,370,054	1,302,106,013
Total Equity and Liabilities			

Statement of Financial Position (Continued)

For the Year Ended 31 December 2024

The financial statements set out on pages 10 to 41, which have been prepared on a going concern basis, were approved by the Board of Directors on and were signed on its behalf by:



Mr. Zevyanji Sinkala
Chairperson



Mr. Zephania Sholobela
Acting Managing Director

Statement of Changes in Equity

For the Year Ended 31 December 2024

	Share capital K	Amount received awaiting allotment of shares K	Accumulated profit/(loss) K	Total K
At 1 January 2023	16,458,500	13,928,678	(21,601,293)	8,785,885
Profit for the year	-	-	207,361,079	207,361,079
At 31 December 2023	16,458,500	13,928,678	185,759,786	216,146,964
Profit for the year	-	-	273,593,132	273,593,132
At 31 December 2024	16,458,500	13,928,678	459,352,918	489,740,096

Accumulated profit/(loss)

The accumulated profit/ (loss) represents accumulated retained earnings from the operations of the Corporation.

Amount received allotment of shares

The amount received awaiting allotment of shares represents funds received from the shareholders pending allotment of shares.

Statement of Cash Flows

For the Year Ended 31 December 2024

	Note	2024 K	2023 K
Cash Flows from operating activities			
Profit before tax	8	329,621,588	218,489,373
Interest paid	8	19,717,634	26,608,092
Interest received		(1,800,608)	(1,185,421)
Unrealised exchange (gain)/losses on foreign transactions	10	-	54,410,200
Depreciation	18	67,313,375	48,712,445
Amortisation of capital grants		(17,819,090)	(18,186,548)
Fair value (gain)/Loss on investment		-	6,903
(Increase)/decrease in inventories		(4,668,613)	(1,408,589)
(Increase)/decrease in trade and other receivables		(12,455,143)	(114,194,062)
Increase /(decrease) in trade and other payables		(57,213,079)	61,939,199
Decrease/(increase) in financial assets at amortised cost		(1,641,187)	(1,229,385)
Increase/(decrease) in deferred liability		(6,789,615)	(80,597)
Revenue Grants received - GRZ		(10,088,432)	(26,691,019)
Income tax paid		(37,862,525)	(19,743,320)
Loss on disposal		-	12,440
Net cash inflows from operating activities		266,314,305	227,459,711
Returns on investments and servicing of finance			
Interest received	8	1,800,608	1,185,421
Interest paid	8	(19,717,634)	(26,608,092)
Net cash flows on returns on investments and servicing of finance		(17,917,026)	(25,422,671)
Investing activities			
Purchase of property, plant and equipment	10	(258,075,192)	(278,597,987)
Net cash outflows used on investing activities		(258,075,192)	(278,597,987)

Statement of Cash Flows (Continued)

	Note	2024 K	2023 K
Financing activities			
Revenue Grants received		10,088,432	26,691,019
Capital Grant received		-	146,090,708
Long-term loan received	19	-	6,255,484
Repayment of loans	19	(89,616,058)	(79,069,080)
Net cash (outflows)/inflows (on)/from financing activities		(79,527,626)	99,968,131
Movement in cash and cash equivalents			
Net cash (outflow)/inflow		(89,205,539)	23,407,184
Cash and cash equivalents at the beginning of the year		203,063,017	179,655,833
Cash and cash equivalents at the end of the year	15	113,857,478	203,063,017
Represented by:		113,857,478	203,063,017
Bank and cash		113,857,478	203,063,017

Notes to the Financial Statements

For the Year Ended 31 December 2024

1. Status of the Corporation

The Corporation commenced its operations on 11 September 1989 and operates under the supervision of The Ministry of Finance and functionally under the Ministry of Transport and Communications.

2. Principal activities

The Corporation's principal activity is the provision of airport facilities and services at designated international airports, namely Kenneth Kaunda International Airport, Simon Mwansa Kapwepwe International Airport, Harry Mwaanga Nkumbula International Airport and Mfuwe International Airport as well as provision of air navigation services throughout Zambia. The Corporation is also in charge of seven provincial and three strategic aerodromes.

3. Basis of preparation and accounting policies

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have been prepared on a historical cost basis, except for the following items (refer to individual accounting policies for details):

- **Financial instruments** – fair value through profit or loss
- **Financial instruments** – fair value through other comprehensive income

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in **note 5**.

4. Significant accounting policies

a. New standards adopted as at 1 January 2024

Some accounting pronouncements which has become effective from 1 January 2024 and have therefore been adopted do not have a significant impact the Company's financial results or position.

Notes to the Financial Statements (Continued)

b. Other Standards and amendments that are effective for the first time in 2024 and could be applicable to the Corporation are:

- Classification of liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current liabilities with Covenants (Amendments to IAS 1)

These amendments do not have a significant impact on these financial statements and therefore the disclosures have not been made.

c. Standards, amendments, and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Corporation are:

Other standards and amendments that are not yet effective and have not been adopted early by the Company include:

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'.

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

At the date of authorisation of these financial statements, several new, but not yet effective, standards and amendments to existing standards and interpretations have been published by the IASB or IFRIC. None of these standards or amendments to existing standards have been early adopted by the Company and no Interpretations have been issued that are applicable and need to be taken into consideration by the Company at either reporting date.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

Notes to the Financial Statements (Continued)

The principal accounting policies applied by the Corporation in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

d. Revenue recognition

- i. Sales of services are recognised in the period in which the services are rendered, by reference to completion of the specific transaction and closure of the related file.

Revenue represents the fair value of the consideration receivable for sales of goods and services. To determine whether to recognise revenue, the Corporation follows a 5-step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from rendering of services is currently recognised as the related services are performed. Revenue is recognised either at a point in time or over time, when (or as) the Corporation satisfies performance obligations by transferring the services to its customers. The Corporation recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in its statement of financial position. Similarly, if the Corporation satisfies a performance obligation before it receives the consideration, the Corporation recognises either a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

ii. Interest income and expense:

Interest income and expense are recognised in the income statement for all interest bearing instruments measured at amortised cost using the effective yield method based on the actual purchase price. Interest income includes coupons earned on fixed income investments.

Notes to the Financial Statements (Continued)

iii. Fees and commissions

Fees and commissions are generally recognised on an accruals basis when the service has been provided.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

- e. Depreciation is calculated to write off the cost of property and equipment on a straight-line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:**

Item	Rate
Airport terminals, runways, taxiways and aprons	2.5%
Other leasehold buildings	2.5%
Motor vehicles, furniture and equipment	20%
Specialised plant and equipment	6.67 -15%

Assets are depreciated in full in the year of purchase and nil in year of disposal.

Capital work in progress is not depreciated until the capital project has been completed and the assets brought into use.

Expenditure on assets under construction is initially shown as capital work in progress and transferred to the relevant class of assets when commissioned.

Borrowing costs, being interest payable on loans are added to the carrying amounts of the related capital works in progress.

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate.

Notes to the Financial Statements (Continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the statement of comprehensive income in the other operating income.

When revalued assets are sold, the amounts included in the revaluation surplus relating to these assets are transferred to the retained earnings.

f. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Corporation did not have any running leases during the year to December 2024.

g. Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Corporation becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

-  amortised cost
-  fair value through profit or loss (FVTPL)

Notes to the Financial Statements (Continued)

- fair value through other comprehensive income (FVOCI).

In the periods presented the entity does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Corporation's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All

Notes to the Financial Statements (Continued)

derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

The category also contains equity investments. The Corporation accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in listed equity securities at fair value through other comprehensive income (FVOCI). In the current financial year, the fair value was determined in line with the requirements of IFRS 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are designated as being at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is to “hold to collect” the associated cash flows and sell; and
- The contractual terms of the financial assets give rise to cashflows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the ‘expected credit loss (ECL) model’. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Corporation considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions,

Notes to the Financial Statements (Continued)

reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'**Stage 3**' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The Corporation considers evidence of impairment for trade and other receivables as well as investments.

Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

Interest on the impaired assets continues to be recognised through the unwinding of the discount. When an event occurring after the impairment was recognised causes the impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Classification and measurement of financial liabilities

The Corporation's financial liabilities include borrowings and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Corporation designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

Notes to the Financial Statements (Continued)

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Financial liability at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

h. Inventories

Inventory is stated at the lower of cost and net realizable value. In general, cost is determined on a weighted average basis and includes transport and handling costs. Net realizable value is the price at which the stock can be realized in the normal course of the business allowing for costs of realization. Provision is made for obsolete, slow-moving and defective stock.

i. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments and balances held with banks.

j. Borrowing costs

Borrowing costs, being interest payable on loans, are accounted for on an accruals basis. Transaction costs arising on arranging a new financial liability are debited to the liability and amortized over the life of that liability. Borrowing costs are charged to the statement of comprehensive income for the year in which they are incurred.

k. Grants

Grant income represents funds received from the Government of the Republic of Zambia during the year. Income from the Government is recognised in the statement of income and expenditure when there is reasonable assurance that it will be received and the Company will comply with the conditions associated with the grant.

Grants that compensate the Company for expenses incurred are recognised in comprehensive income on a systematic basis in the same periods in which the expenses are recognised.

Grants that compensate the Company for the cost of an asset are recognised in comprehensive income on a systematic basis over the useful life of the asset.

Notes to the Financial Statements (Continued)

i. Short term and long term loans

Short term loans include all amounts expected to be repayable within twelve months from the reporting date, including installments due on loans of longer duration. Long term loans represent all amounts repayable more than twelve months from the reporting date.

m. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Tax currently payable is based on the results for the year as adjusted for items which are non-assessable or disallowed for tax purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Temporary differences can arise from the recognition for tax purposes of items of income or expense in a different accounting period from that in which they are recognized for financial accounting purposes. The tax effect of these temporary timing differences is computed by applying enacted statutory tax rates to any differences between carrying values per financial statements and their tax base, and accounted for as deferred tax.

Deferred taxation assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

n. Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Corporation operates (the 'functional currency'). The financial statements are presented in Zambian Kwacha, which is the Corporation's presentation and functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the rates of exchange prevailing at the date of transactions. Foreign exchange gains and losses resulting from 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 comprehensive income.

Notes to the Financial Statements (Continued)

Translation differences on monetary items, such as equity at fair value through income, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as assets at fair value through other comprehensive income, are included in fair value reserve in equity.

o. Employee benefits

(i) Pension obligations

The Corporation has a plan with National Pension Scheme Authority (NAPSA) where the Corporation pays an amount equal to the employee's contributions. Employees contribute 5% of their gross earnings up to the statutory limit.

(ii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Corporation recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(iii) Gratuity

For fixed term contract employees, a gratuity is payable at the end of the contract. Contract periods range from 2-3 years. Gratuity is expensed to profit or loss account in the period the service is rendered.

p. Provisions

Restructuring costs and legal claims

Provisions for restructuring costs and legal claims are recognised when: the Corporation has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Notes to the Financial Statements (Continued)

q. Dividend distribution

Dividend distribution to the Corporation's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Corporation's shareholders.

5. Critical accounting estimates and judgement in applying accounting policies

The Corporation makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payment of Principal and Interest (SPPI) and the business model test. The Corporation determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Corporation monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Corporation's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Impairment losses on receivables

When measuring expected credit loss the Corporation uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Notes to the Financial Statements (Continued)

Impairment of assets other than receivables

The carrying amounts of the Corporation's assets other than receivables are reviewed at each reporting date to determine whether there is an indication of impairment. If any such exists, the asset's recoverable amount is estimated. This estimation requires significant judgement.

An impairment loss is recognized in the income statement whenever the carrying amount exceeds the recoverable amount.

Fair value measurement

The carrying amounts of financial assets and liabilities are representative of the Corporation's position at 31 December 2024 and are in the opinion of the Directors not significantly different from their respective fair values due to generally short periods to maturity dates. The significant classes of financial assets and liabilities are as disclosed in the statement of financial position. As far as possible market prices are applied in determining fair values.

Fair value hierarchy

The Corporation uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities;
- **Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- **Level 3:** techniques which use inputs which have a significant effect on the recorded amounts and fair values that are not based on observable market data.

Financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Corporation's own models whereby the majority of assumptions are market observable.

Non market observable inputs means that fair values are determined, in whole or in part, using a valuation technique (model) based on assumptions that are neither supported

Notes to the Financial Statements (Continued)

by prices from observable current market transactions in the same instrument, nor are they based on available market data. The main asset classes in this category are unlisted equity investments and debt instruments. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

There were no financial assets and liabilities transferred between levels.

6. Management of financial risk

6.1 Financial risk

The Corporation is exposed to a range of financial risks through its financial assets and financial liabilities (borrowings). The most important components of this financial risk are interest rate risk and credit risk. These risks arise from open positions in interest rate and business environments, all of which are exposed to general and specific market movements. The Corporation manages these positions with a framework that has been developed to monitor its customers and return on its investments.

6.2 Credit risk

The Corporation has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The key area where the Corporation is exposed to credit risk is amounts due from customers.

6.3 Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company sets the amount of capital in proportion to its overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of the economic conditions and the risk characteristic of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of the dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Notes to the Financial Statements (Continued)

7. Revenue

	2024 K	2023 K
Over flight fees	121,714,880	88,814,121
Air Navigation fees	56,806,127	42,195,513
Passenger service charges	362,632,687	261,511,594
Security charges	82,430,065	59,663,245
Cute and Cuss	28,532,196	21,098,372
Landing fees	165,221,709	116,898,530
Parking fees	11,179,040	6,873,902
Fuel throughput fees	15,107,153	11,568,836
Car park	7,928,842	6,200,554
Ground handling	247,008,883	160,446,428
Aviation infrastructure fees	158,107,079	114,153,102
Rentals	77,107,695	52,805,686
	1,333,776,356	942,229,883

8. Net finance income and costs

	2024 K	2023 K
Interest on loans	(19,717,634)	(26,608,092)
Interest on short term investments	1,800,608	1,185,421
Net exchange gain	44,135,918	67,028,045
	26,218,892	41,605,374

9. Income tax expense

	2024 K	2023 K
a. Recognized in the statement of Comprehensive Income		
Charge for the year		
Income tax on normal income	-	-
Income tax on taxable other income	11,753,253	12,019,657
Deferred tax	44,275,203	-
	56,028,456	12,019,657

Notes to the Financial Statements (Continued)

Current tax and losses are subject to agreement with the Zambia Revenue Authority.

	2024 K	2023 K
b. Reconciliation of the tax charge		
Profit before taxation	329,621,588	218,489,373
Taxation at current rate on accounting profit – 30%	98,886,476	65,546,812
Interest	540,182	355,626
Rent	-	-
Other income	11,213,071	11,664,031
Permanent differences:		
Disallowable expenses	43,821,070	15,047,621
Timing differences:		
Capital allowances and depreciation	(6,802,495)	(4,364,811)
Allowable expenses	(44,745,340)	(44,991,672)
Other income	(13,687,850)	(12,019,657)
Loss b/f	(128,228,527)	(147,446,820)
Loss c/f	50,756,666	128,228,527
Tax expense	44,275,203	-
	56,028,456	12,019,657
c. Movement in taxation payable account		
At the beginning of the period	23,166,452	30,890,115
Charge for the period	11,753,253	12,019,657
Payments during the period	(37,862,525)	(19,743,320)
At the end of the period	(2,942,820)	23,166,452
d. Deferred taxation		
This represents:		
Analysis of movement:		
At 1 January 2024	(15,711,428)	(54,228,296)
Elimination of asset not recognized	15,711,428	-
Provision/(credit) made during the year	44,275,203	38,516,868
At 31 December 2024	44,275,203	(15,711,428)

Notes to the Financial Statements (Continued)

e. Income tax returns have been filed with the Zambia Revenue Authority for all the years up to 31 December 2023. Quarterly tax returns for the period ended 31 December 2024 were made on the due dates during the year.

f. Deferred income tax

Analysis:

2024	1 January K	Not Charged to profit & loss K	Charged to profit & loss K	Charged to equity K	31 December K
Deferred income tax liability					
Property plant and equipment - cost	204,948,458	(204,948,458)	218,999,879	-	218,999,879
Property plant and equipment - revaluation	-	-	-	-	-
Property Plant and equipment	(112,539,745)	112,539,745	(137,208,785)	-	(137,208,785)
Exchange(losses)/gains	20,108,414	(20,108,414)	13,240,775	-	13,240,775
Loss	(128,228,557)	128,228,557	(50,756,666)	-	(50,756,666)
	(15,711,430)	15,711,430	44,275,203	-	44,275,203

10. a. Property, plant and equipment

- i. The Corporation's airport terminals, runways, taxiways and aprons were revalued at 30 April 2020 by Registered Valuation Surveyors, on the basis of market value. The valuer's opinion on Market Value was primarily derived using both the depreciated replacement cost (DRC) approach, for the specialized part of the property because the specialized nature of the use means that there are no market transactions of this type of property except as part of the business or entity, and the sales comparison approach for the surplus land.
- ii. The Corporation acquired certain property, plant and equipment from the Government of the Republic of Zambia, which were the assets of the Department of Civil Aviation. These financial statements include only the value of the assets transferred from the Department of Civil Aviation, which were with the Government based on a valuation carried out by the Government Valuation Department and a

Notes to the Financial Statements (Continued)

letter from the Ministry of Transport and Communications. Title to Harry Mwaanga Nkumbula International Airport and Simon Mwansa Kapwepwe International Airport is in the name of Zambia Airports Corporation Limited whilst title for Mfuwe airport has not been issued. Title for Kenneth Kaunda International Airport is in the name of the Department of Civil Aviation. However, title to Kenneth Kaunda International Airport will revert to Zambia Airports Corporation Limited. This process to change ownership of title to the airports is in progress.

2024	Airport Terminal, Runways, Taxiways and Aprons K	Motor Vehicles K	Equipment and Furniture K	Capital Work in Progress K	Total K
Cost					
At 1 January 2023	298,432,189	27,889,153	626,738,641	150,067,727	1,103,127,710
Additions	-	-	5,275,049	273,322,938	278,597,987
Transfers	241,084,833	-	-	(241,084,833)	-
Disposals	-	-	(37,268)	-	(37,268)
At 31 December 2023	539,517,022	27,889,153	631,976,422	182,305,832	1,381,688,429
Additions	-	43,091,950	68,819,081	146,164,161	258,075,192
Transfers	27,739,426	-	-	(27,739,426)	-
At 31 December 2024	567,256,448	70,981,103	700,795,503	300,730,567	1,639,763,621
Depreciation					
At 1 January 2023	129,047,709	22,812,040	341,172,720	-	493,032,469
Charge for the year	10,085,161	2,213,713	36,413,571	-	48,712,445
Disposals	-	-	(24,828)	-	(24,828)
At 31 December 2023	139,132,870	25,025,753	377,561,463	-	541,720,086
Charge for the year	25,705,695	7,218,787	34,388,893	-	67,313,375
At 31 December 2024	164,838,565	32,244,540	411,950,355	-	609,033,460
Net book value					
At 31 December 2024	402,417,883	38,736,563	288,845,148	300,730,567	1,030,730,160
At 31 December 2023	400,384,152	2,863,400	254,414,959	182,305,832	839,968,343

Notes to the Financial Statements (Continued)

	2024 K	2023 K
11. Financial assets at fair value through profit or loss		
Balance at 1 January	4,537,275	3,645,912
Increase in Fair Value	-	891,363
Balance at 31 December	4,537,275	4,537,275
ZEGA Limited - 14.93% interest		
12. Inventories		
Consumable stores	10,728,064	5,985,365
Less provision for obsolete stock	(943,675)	(869,589)
	9,784,389	5,115,776
13. Trade and other receivables		
Trade debtors	430,697,488	374,274,076
Less: provision for impairment losses	(201,825,615)	(170,449,579)
	228,871,873	203,824,497
Sundry creditors in debit	11,624,824	27,573,080
Staff loans and advances	1,715,444	1,023,077
Deposits and prepayments	3,799,670	1,136,013
	246,011,811	233,556,667
Movement in provision for impairment		
Balance at 1 January	170,449,579	137,578,585
Charged for the year	31,376,036	32,870,994
Balance at 31 December	201,825,615	170,449,579
14. a. Financial assets at amortised cost		
Zambia Industrial Commercial Bank	14,610,323	12,975,271
Finance Building Society	148,963	142,828
	14,759,286	13,118,099
91 days fixed term deposits	148,963	142,828
180 days fixed term deposits	14,610,323	12,975,271
	14,759,286	13,118,099
14. b. Financial assets at fair value through profit or loss		
Madison Unit Trust	2,746,835	2,746,835
	2,746,835	2,746,835

Notes to the Financial Statements (Continued)

	2024 K	2023 K
15. Cash and cash equivalents		
Cash in hand and at bank (note (a))	113,857,478	203,063,017
	113,857,478	203,063,017
(a) Cash in hand and at bank		
Bank balances	113,816,483	203,055,329
Cash in hand	40,995	7,688
	113,857,478	203,063,017
16. Share capital		
Authorised, issued and fully paid		
16,458,500 ordinary shares at K1 each	16,458,500	16,458,500

17. Amounts received awaiting allotment of shares

The Government of the Republic of Zambia has agreed to convert the Belgian State to State loan of K28.9 million (EURO 5.2 million) due from the Corporation into share capital. As at statement of financial position date K14,988,322 had been allotted and the balance of K13,928,678 is held awaiting allotment of shares.

	2024 K	2023 K
18. Capital grants		
At beginning of the year	538,273,984	410,369,824
Addition during the year	-	146,090,708
Amortisation during the year	(17,819,090)	(18,186,548)
	520,454,894	538,273,984

Capital grants represent the balance of funds received from Government of the Republic of Zambia (GRZ) for the improvement of airport facilities that has not been amortised. These grants have no conditions attached to them.

Notes to the Financial Statements (Continued)

	2024 K	2023 K
19. Long-term loans		
Zambia National Commercial Bank Plc		
At the beginning of the year	207,585,675	225,989,072
Additions during the year	-	6,255,484
Repayments during the year	(98,113,822)	(79,069,080)
Unrealised exchange loss	8,497,765	54,410,200
Balance at the end of the year	117,969,618	207,585,676
Portion repayable within next 12 months	103,945,576	86,723,659
Portion repayable after 12 months	14,024,042	120,862,017
	117,969,618	207,585,676

The ZANACO facilities represent;

- i. US\$8,859,507.55 loans bearing interest at 9%. The facility which was to be repayable by June 2022, was restructured in September 2021, and will now be repaid in 2025.
- ii. USD10,000,000 at 9% and
- iii. K120 million Covid relief loan at 20%.
- iv. The loans are secured by the assignment of foreign currency receivables from IATA. Detailed analysis of the loans are in the table below.

Notes to the Financial Statements (Continued)

Airport	Details	Initial amount	Monthly principal payout	Interest	Maturity date	Running balance
HMNIA - Terminal building	Construction of HMNIA	U\$D8,859,508	USD73,373.57	8.50%	30/06/2025	U\$D501,710
Electrical Ring Cable	Airfield Lighting	U\$D3,300,000	USD44,470.61	9%	31/12/2025	U\$D616,023
Instrument Landing System	NAV Aids	U\$D1,500,000	USD13,590.57	9%	30/04/2026	U\$D279,351
RADAR	RADAR Maintenance	U\$D1,400,000	USD11,566.33	9%	31/03/2026	U\$D618,403
RADAR Training	Training of controllers	U\$D600,000	USD9,261.84	9%	30/09/2026	U\$D241,825
ORAT	KKIA Operationalising	U\$D1,200,000	USD7,608.45	9%	31/03/2026	U\$D135,749
New KKIA -hotel	Equipment for hotel	U\$D2,000,000	USD27,966.57	9%	30/09/2026	U\$D779,605
Stimulus loan	Working capital	K120,000,000	K1,863,817.24	20%	30/09/2025	K27,524,697

20. Deferred liability

Deferred liability relates to provision for terminal benefits amounting to K80.8 million (2023: K87.6 million) inclusive of 12% interest. The deferred liability relates to accrued terminal benefits due to staff at 1 April 2008 arising from long service gratuity. The liability was frozen at that date and is payable to eligible staff upon separation from the Corporation.

	2024 K	2023 K
At the beginning of the year	87,606,903	87,687,500
Interest	9,254,915	9,861,759
Payments	(16,044,530)	(9,942,356)
At the end of the year	80,817,288	87,606,903
Payable within next 12 months	10,890,685	8,890,685
Payable after 12 months	69,926,603	78,716,218
	80,817,288	87,606,903

Notes to the Financial Statements (Continued)

On 1 April 2008, the Corporation converted the unfunded long service gratuity benefit scheme to a defined contribution scheme. The liability is expected to be completely transferred to pension managers over the next 7 years and attracts interest at 12% per annum.

For the new defined contribution scheme, the Corporation contributes 10% of basic salary whilst employees contribute 5%.

The total charge to income is as follows:

	2024 K	2023 K
Current year contribution on defined contribution scheme	13,235,855	13,235,855
Interest on discontinued long service gratuity.	9,254,915	9,861,759
	22,490,770	23,097,614

21. Trade and other payables

Trade creditors	42,729,938	80,796,852
Leave pay	42,861,135	58,066,314
Gratuity	6,366,107	18,324,454
Accruals	34,946,249	7,928,188
Other creditors and provisions	39,603,192	62,892,754
Sundry debtors in credit	4,288,862	-
Staff debtors in credit	1,317,472	1,317,472
	172,112,955	229,326,034

22. Financial instruments-risk management

Capital management

The Board manages the Corporation's capital to ensure that the Corporation will be able to continue as a going concern while optimizing the return to the stakeholders through the optimisation of returns on investments made.

Gearing ratio

The Corporation reviews the capital structure on an ongoing basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Corporation has a 13.3% gearing ratio (2023: 13.6%).

Notes to the Financial Statements (Continued)

Categories of financial instruments

Gearing ratio

	Note	2024 K	2023 K
Cash and bank balances	15 (a)	113,857,478	203,063,017
Staff loans and advances	13	1,715,444	1,023,077
Deposits and prepayments	13	3,799,669	1,136,013
Trade receivables	13	228,871,873	203,824,497
Financial assets at amortised cost	14(a)	14,759,286	13,118,099
Financial assets at fair value through profit and loss	14(b)	2,746,835	2,746,835
Sundry creditors in debit	13	11,624,824	27,573,080
		377,375,409	452,484,618

Financial liabilities held at amortised cost or fair value

Trade creditors	21	42,729,938	80,796,852
Leave pay	21	42,861,135	58,066,314
Gratuity	21	6,366,107	18,324,454
Accruals	21	34,946,249	7,928,188
Other payables and provisions	21	39,603,192	62,892,754
Sundry debtors on credit	21	4,288,862	1,317,472
Zambia National Commercial Bank Plc-long-term loans	19	117,969,618	207,585,676
Employee terminal benefits	20	80,817,288	87,606,903
		369,582,389	524,518,613

The Corporation undertakes certain transactions denominated in foreign currencies. Hence, exposure to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters as approved by the Board.

The carrying amount of the Corporation's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

Notes to the Financial Statements (Continued)

		2024 K	2023 K
Currency	Asset		
US Dollars	Bank balances	3,039,538	4,114,397
US Dollars	Receivables	13,673,092	12,844,242
		16,712,630	16,958,639
	Liabilities		
US Dollars	Trade creditors	182,523	1,671,184
US Dollars	ZANACO loans	3,235,665	5,813,561
		3,418,188	7,484,745

The Corporation is exposed to foreign exchange risk arising primarily from loans contracted, importation of goods, services and receivables denominated in foreign currency.

	Mid-market exchange rate as at 31 Dec 2024	Mid-market exchange rate as at 31 Dec 2023	Average currency depreciation during the year
US Dollars	<u>K27.9525</u>	<u>K25.6675</u>	<u>8.9%</u>

As at 31 December 2024, Kwacha depreciated by 8.9% when compared to December 2023.

Interest rate risk management

The exposure to interest rate risk is reviewed regularly by management to align with interest rate reviews and defined risk appetite, by either positioning the statement of financial position or protecting interest expense through different interest rate cycles.

Credit management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has adopted a policy of only dealing with creditworthy counterparties and obtaining an advance payment, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Notes to the Financial Statements (Continued)

Exposure

The Corporation's maximum exposure to credit risk is analysed below:

	Note	2024 K	2023 K
Cash and bank balances	15 (a)	113,857,478	203,063,017
Staff loans and advances	13	1,715,444	1,023,077
Deposits and prepayments	13	3,799,670	1,136,013
Trade receivables	13	228,871,873	203,824,497
Financial assets at amortised cost	14(a)	14,759,286	13,118,099
Financial assets at fair value through profit and loss	14(b)	2,746,835	2,746,835
Sundry creditors in debit	13	11,624,824	27,573,080
		377,375,410	452,484,618

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Corporation's short, medium and long-term funding and liquidity management requirements. The Corporation manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Corporation's remaining period for contractual maturity of its non-derivate financial assets and liabilities. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets and liabilities.

	Notes	1 to 3 months K	3 months to 1 year K	More than 1 year K	Total K	2023 K
Liabilities						
Trade payables	21	42,729,938	-	-	42,729,938	80,796,852
Leave pay	21	34,288,908	4,286,114	4,286,113	42,861,135	58,066,314
Gratuity	21	4,456,275	1,909,832	-	6,366,107	18,324,454
Accruals	21	27,956,999	6,989,250	-	34,946,249	7,928,188
Other payables and provisions	21	39,603,192	-	-	39,603,192	62,892,754
Zambia National Commercial						
Bank PLC loans	19	43,556,088	60,389,488	14,024,042	117,969,618	207,585,676
Sundry debtors in credit	21	4,288,862	-	-	4,288,862	1,317,472
Employee terminal benefits	20	4,040,864	4,040,864	72,735,560	80,817,288	87,606,903
		200,921,126	77,615,548	91,045,715	369,582,389	524,518,613

Notes to the Financial Statements (Continued)

Fair value measurements

The information set out below provides information about how the Corporation determines fair values of various financial assets and financial liabilities.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- **Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, Lusaka Securities Exchange).
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3** – Inputs for assets or liabilities that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Corporation considers relevant and observable market prices in its valuations where possible.

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

	Notes	2024		2023	
		Carrying amount K	Fair value K	Carrying amount K	Fair value K
Financial assets					
Cash and Bank balances	15(a)	113,857,478	113,857,478	203,063,017	203,063,017
Financial assets at amortised cost	14(a)	14,759,286	14,759,286	13,118,099	13,118,099
Deposits and payments	13	3,799,670	3,799,670	1,023,077	1,023,077
Receivables from employees	13	1,715,444	1,715,444	1,136,013	1,136,013
Trade receivables	13	228,871,873	228,871,873	203,824,497	203,824,497
Sundry creditors in debit	13	11,624,824	11,624,824	27,573,080	27,573,080
Financial assets at fair value through profit or loss	14(b)	2,746,835	2,746,835	2,746,835	2,746,835
		377,375,410	377,375,410	452,484,618	452,484,618

Notes to the Financial Statements (Continued)

	Notes	2024		2023	
		Carrying amount K	Fair value K	Carrying amount K	Fair value K
Financial liabilities					
Trade payables	21	42,729,938	42,729,938	80,796,852	80,796,852
Leave pay	21	42,861,135	42,861,135	58,066,314	58,066,314
Other payables and provisions	21	39,603,192	39,603,192	62,892,754	62,892,754
Accruals	21	34,946,249	34,946,249	7,928,188	7,928,188
Gratuity	21	6,366,107	6,366,107	18,324,454	18,324,454
Employee terminal benefits	20	80,817,288	80,817,288	87,606,903	87,606,903
Zambia National Commercial Bank PLC	19	117,969,618	117,969,618	207,585,676	207,585,676
Sundry debtors in credit	21	4,288,862	4,288,862	1,317,472	1,317,472
		369,582,389	369,582,389	524,518,613	524,518,613

Credit risk-trade debtors analysis

	2024			2023		
	Gross K	Impairment K	Net K	Gross K	Impairment K	Net K
Current	-	-	-	-	-	-
Past due 0 -30 days	140,529,455	7,560,917	132,968,538	96,142,399	68,574	96,073,825
Past due 31-90 days	109,005,755	25,740,142	83,265,613	107,474,977	11,361,041	96,113,936
Past due 91-120 days	18,082,416	6,582,899	11,499,517	16,285,177	12,096,105	4,189,072
Past due 121-180 days	163,079,862	161,941,657	1,138,205	154,371,523	146,923,859	7,447,664
	430,697,488	201,825,615	228,871,873	374,274,076	170,449,579	203,824,497

Impairment losses

	2024 K	2023 K
Movement in impairment provision		
At the beginning of the year	170,449,579	137,578,585
Charge during the year	31,376,036	32,870,994
At the year end of the year	201,825,615	170,449,579

Notes to the Financial Statements (Continued)

Note: Included in the impairment is K623,100 worth of goods a supplier has failed to deliver since 2019. The Corporation is in litigation over the same amount and the supplier has agreed to pay the amount in instalments of K50, 000.00. The supplier is yet to make the first instalment.

24. Related party transactions

a. Identification of related parties

The Corporation undertakes to disclose the nature of related party relationships, and types of related party transactions necessary for the understanding of the annual financial statements.

In the context of the Corporation related party transactions include any transactions carried out with any of the following:

- Government Ministries and Parastatals;
- Board members; and
- Key management personnel

The transactions to be reported are those that affect the Corporation in making financial and operating

	2024 K	2023 K
(b) Transactions with related parties		
i. Key management compensation		
Salaries and other short term employee benefits	<u>10,650,592</u>	<u>18,324,454</u>
Termination benefits	<u>9,254,915</u>	<u>9,861,759</u>
ii. Directors fees	<u>3,216,173</u>	<u>5,852,215</u>
iii. Revenue grant-GRZ	<u>10,088,432</u>	<u>26,691,019</u>
(c) Balances due from related parties		
Executive Directors and key management		
i. Loans and advances	<u>-</u>	<u>405,867</u>

The Directors are of the opinion that all these related party transactions were conducted on arm's length basis and commercial terms.

Notes to the Financial Statements (Continued)

24. Dividend

	2024 K	2023 K
The proposed dividend	-	-

The Directors do not recommend a dividend for the year ended 31 December 2023 due to the post effects of the coronavirus pandemic. A cash buffer is required to sustain the operations of the Corporation.

	2024 K	2023 K
25. Contingent liabilities	-	-

Court cases

Certain legal cases are pending against the Corporation in the courts of law. In the opinion of the Directors and the Corporation's lawyers, none of these cases will result in any material loss to the Corporation for which provision is required.

	2024 K	2023 K
26. Capital commitments	-	-

Approved by the Board but not contracted

27. Environmental Sustainability

The Corporation remains unwavering in its commitment to environmental sustainability. It has taken proactive steps by meticulously tracking and documenting its carbon emissions for the year 2024, aligning with the International Civil Aviation Organization (ICAO) Net Zero target. This comprehensive inventory will form the basis for establishing annual targets aimed at reducing the Corporation's carbon footprint through the adoption of eco-friendly strategies.

Throughout 2024, the Corporation conducted a thorough assessment of its Environmental Management System (EMS) as part of its strategic objective to attain ISO14001:2015

Notes to the Financial Statements (Continued)

certification. This assessment was conducted to evaluate the Corporation's EMS against ISO standards, identifying areas of strength and areas needing improvement in its environmental processes. The subsequent Gap Analysis Report not only laid the groundwork for a practical EMS implementation plan but also enabled the Corporation to identify opportunities for enhancing sustainability efforts, especially given the heightened scrutiny the aviation industry faces regarding climate change.

Furthermore, the Corporation is actively promoting the implementation of Free Routing Airspace (FRA). This initiative encourages airlines to opt for direct flight routes, which is expected to result in significant cost savings for participating airlines while also contributing to a more sustainable future for the African aviation industry.

Whilst the airports play a role in inducing climate change, they are also prone to suffering climate change related risks shocks which which may impact on our operations, infrastructure, and business continuity. Increased intensity of storms, high winds and extreme temperatures introduce risks of infrastructure damages, increased flight delays/temporary airport closures, blown off ground equipment as well as increased demand of energy for cooling purposes. High temperatures are also expected to affect the take-off run for airports requiring the Corporation to expand on some of the runways which would be deemed short. High temperatures may also lead to equipment damage because of overheating as well as cause damage to pavements and other infrastructure.

ZACL is implementing Business Continuity Management System which will address Climate change events likely to cause business disruptions whilst other risks are addressed through the Enterprise Risk Management system.

Changes in biodiversity wildlife and ecosystems increase the presence of wildlife hazard which is already considered a high risk for the Corporation. The Corporation has in the recent years experienced an increase in wildlife presence and strike incidences around the airports with a possible linkage to climate change.

28. Events after the reporting date

There were no significant events after the reporting date requiring disclosure or adjustment to the financial statements.

Appendix 1

Detailed Statement of Comprehensive Income

	2024 K	2023 K
Revenue	1,333,776,356	942,229,883
Other income		
Capital grants amortised	17,819,090	18,186,549
Revenue grant received-GRZ	10,088,432	26,691,019
Sundry income	20,789,564	11,369,328
Total other income	48,697,086	56,246,896
Finance costs		
Interest on loans	(19,717,634)	(26,608,092)
Interest income on short term investments	1,800,608	1,185,421
Net exchange gains	44,135,918	67,028,045
Net finance costs	26,218,892	41,605,374
Less:		
Expenditure		
Depreciation	(67,313,375)	(48,712,445)
Employee costs		
Salaries and wages	(486,785,249)	(371,734,087)
Other staff costs	(84,215,939)	(105,480,855)
	(571,001,188)	(477,214,942)
Other operating expenses (Appendix 2)	(440,756,183)	(295,677,365)
Profit (loss) on disposal	-	11,972
Profit/(loss) before tax	329,621,588	218,489,373
Income tax charge	(56,028,456)	(12,019,657)
Profit after tax	273,593,132	206,469,716

Appendix 2

Other Operating Expenses

	2024 K	2023 K
Aviation security	62,146,872	35,412,176
Books and periodicals	1,830,701	260,750
Cargo and mail	4,874,169	6,636,631
Cleaning Services	13,805,644	7,127,987
Cleaning expenses	3,347,617	2,106,193
Consultancy	2,935,373	912,419
Directors Expenses	1,306,113	5,852,215
Directors Fees	1,910,060	-
Electricity	25,291,266	21,272,515
External audit	1,320,093	1,170,031
Firefighting foam	4,222,213	1,684,609
Hire of transport	29,080,967	18,966,568
Insurance	7,569,111	2,393,740
Land rates	19,117,331	19,187,572
Legal fees	102,904	869,651
Motor vehicle expenses	9,142,240	7,515,200
Office expenses	1,038,813	618,525
Postage	1,030,996	423,422
Printing and stationary	12,488,782	7,463,130
Protective clothing	9,852,219	3,896,942
Repairs and maintenance	77,487,859	38,151,220
Security expenses	744,527	223,439
SITA charges	13,091,937	17,422,584
Staff uniforms	13,214,442	4,693,355
Subscriptions-Corporation	347,200	1,319,980
Telephone and internet	4,935,202	3,168,969
Travel expenses - local	10,829,567	5,588,003
Travel expenses-foreign	6,187,697	4,309,640
Water	958,032	965,106
Aerodrome's support	8,412,715	9,343,622
Bad debts provision	31,376,036	32,870,994
Bank charges	1,789,965	1,784,540
Beverages	1,651,500	1,384,206
Corporate Promotion & Advertising	9,456,574	5,574,308
Donations	77,140	596,443
Entertainment	219,140	213,065
Balance carried forward	393,193,017	271,379,750

Appendix 2 (Continued)

Other Operating Expenses

	2024 K	2023 K
Balance Brought forward	393,193,017	271,379,750
IATA charges	19,693,352	13,707,381
IT Expenses	917,218	11,600
Licensing	4,647,156	3,391,925
Marketing	44,475	320,348
Regulatory expenses	2,184,163	2,085,544
Sundry expenses	10,780	11,120
Tender Evaluation Expenses	888,221	377,046
VAT expenses	-1,213,498	-364,594
CANSO & ACI Expenses	-14,106	1,432,763
Rental Tax	6,475,448	3,324,482
KKIA Protea Hotel Expenses	6,448,655	-
Proflight Travel Expense	7,481,302	-
Total operating expenses	440,756,183	295,677,365



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