

SUBMISSION OF FINANCIAL REPORTS

1.0 PURPOSE

This Advisory Circular (AC) is issued to provide information and guidance to the industry related to: the annual submission of financial reports for existing air operators and business plans for first time applicants for air service licence.

2.0 REFERENCES

- 2.1 The Civil Aviation Act
- 2.2 The Civil Aviation (Licensing of Air Services) Regulations

3.0 GENERAL

This Advisory Circular contains information on requirements for submission of financial reports and business plans by existing air operators and first time applicants for air service licence.

4.0 GUIDANCE AND PROCEDURE

- 4.1 All entities providing air services in Kenya will be required to submit to the Authority a certified/notarised copy of their annual audited financial accounts.
- 4.2 All entities intending to provide air services in Kenya will be required to submit to the Authority a business plan together with the application for a new license.
- 4.3 Information to be provided by an applicant for a new Air Service Licence:
 - 4.3.1.1 Audited financial accounts for the previous financial year if available.
 - 4.3.1.2 Business plan containing but not limited to the following:
 - (i) Executive summary (incl. Vision and Mission)
 - (ii) Market analysis and strategy (incl. route viability)
 - (ii) Ownership structure and personnel plan
 - (iii) Fleet acquisition plan
 - (iv) Financial plan (sources of funding, 2-year projected balance sheet, profit & loss, cash flow, break-even analysis)
 - (v) Risk analysis (incl. exchange rate, fuel price sensitivity)
 - (vi) Safety and reliability strategy



- 4.3.2 Documentary evidence of existing source(s) of funding as outlined in the business plan.
- 4.4 Information to be provided by existing air carriers:
 - 4.4.1 The most recent annual audited financial accounts
 - 4.4.2 Details of any significant changes in operations such as change of type of service, proposed takeover or merger, modifications in share capital or changes in shareholders
 - 4.4.3 Details of financing of aircraft purchase



Civil Aviation Authority