	<h1 style="margin: 0;">Advisory Circular</h1> <p style="text-align: right; margin: 0;"><b>CAA-AC-ATD08</b> <b>June, 2025</b></p>
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## SUBMISSION OF FINANCIAL REPORTS

### 1.0 PURPOSE

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

### 2.0 REFERENCES

- 2.1 Civil Aviation Act 2013 (as amended).
- 2.2 Civil Aviation (Licensing of Air Services) Regulations.
- 2.3 ICAO Doc 9587, Policy and Guidance Material on the Economic Regulation of International Air Transport.

### 3.0 GENERAL

- 3.1 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 or intending to provide air services in Kenya will be required to submit to the Authority a certified true copy of the audited financial accounts and/or a business plan as applicable.

#### 4.2 Information to be provided by a new applicant for Air Service Licence:

##### 4.2.1 Audited financial accounts for the previous financial year if available.

##### 4.2.2 Business plan containing but not limited to the following:

- 4.2.2.1 The company's Vision and Mission
- 4.2.2.2 Market analysis and strategy
- 4.2.2.3 Company's ownership structure and personnel plan
- 4.2.2.4 Aircraft fleet acquisition plan
- 4.2.2.5 Financial plan including source(s) of funding
- 4.2.2.6 The applicant's financial links with any other commercial activities in which the applicant is engaged either directly or indirectly
- 4.2.2.7 Route viability analysis including detailed projected expenditure, traffic and revenue forecasts based on such operating costs items such as fuel, airport charges, handling charges, aircraft lease, personnel, aircraft maintenance, catering depreciation, exchange rate fluctuations, insurance, etc.
- 4.2.2.8 A two year projected balance sheet
- 4.2.2.9 A two year projected break-even analysis
- 4.2.2.10 A two year projected profit and loss statements
- 4.2.2.11 A two year projected cash flow statement
- 4.2.2.12 Proposed fares for passengers or cargo
- 4.2.2.13 A strategy or the manner in which the applicant will maintain safety, regularity and reliability of the service to be operate

##### 4.2.3 Documentary evidence of existing source(s) of funding as outlined in the business plan.

#### 4.3 Information to be provided by existing air carriers:

##### 4.3.1 The most recent annual audited financial accounts

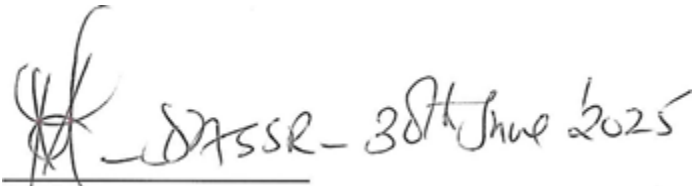
##### 4.3.2 Details of all proposed changes such as change of type of service proposed takeover or merger, modifications in share capital or changes in shareholders

##### 4.3.3 Details of financing of aircraft purchase

4.3.4 An air carrier intending to change current operations shall submit to the Authority a one year projected income statement, balance sheet and cash flow statement

4.3.5 A business plan in the case of substantial change in the scale of operations

4.3.6 In the case of a Franchise arrangement, audited financial accounts of the franchisor relating to the most recent three (3) financial years preceding the application

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**Civil Aviation Authority**