



NAFISAT BUDGET PROPOSAL FOR THE PERIOD ENDING 31 MARCH 2028

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1. Introduction

This report outlines the proposed budget for the period ending 31 March 2028.

2. Detailed Analysis

Table 1: Statement of Financial Performance

Description	Budget 2027/2028	Budget 2026/2027	Variance	Variance	Actual 2025/2026
	\$		\$	%	\$
Revenue					
Nafisat Revenue	4 424 913	4 281 990	142 923	3,3%	4 097 142
Nafisat Revenue - Saudi	70 635	67 271	3 364	5,0%	67 292
Other Revenue	0		0	0,0%	118 366
Total Revenue	4 495 548	4 349 261	146 287	3,3%	4 282 800
Salaries & Related Costs	628 593	497 290	-131 303	-26,4%	538 917
Traveling Expenses	168 888	104 639	-64 249	-61,4%	150 310
Telecommunications Expenses	149 215	162 276	13 061	8,0%	132 801
Electronic Maintenance	58 794	100 104	41 310	41,3%	34 866
Credit loss allowance (Bad Debts)	18 128	219 410	201 282	91,7%	16 293
Bank Charges	1 578	2 397	819	34,2%	1 404
Commission Paid	82 111	82 597	486	0,6%	78 225
Indirect Costs	402 151	381 897	-20 254	-5,3%	357 913
Management Fees	696 810	640 127	-56 683	-8,9%	616 554
IATA Management Fees	112 389	103 246	-9 143	-8,9%	105 353
Network Management Costs	1 020 440	1 006 297	-14 143	-1,4%	1 056 992
Professional Fees	4 664	3 914	-750	-19,2%	4 192
Contract Services	21 010	19 821	-1 189	-6,0%	0
Operational Expenses	3 364 771	3 324 015	-40 756	-1,2%	3 093 820
EBITDA	1 130 777	1 025 246	105 531	10,3%	1 188 980
Depreciation	175 372	101 475	-73 897	-72,8%	171 933
Net Profit/(Loss) before Interest and Tax	955 405	923 771	31 634	3,4%	1 017 046
Finance Revenue	174 713	190 684	15 971	8,4%	-167 993
Interest Received	174 713	190 684	15 971	8,4%	167 993
Net Profit Before Tax	1 130 118	1 114 455	-15 663	-1,4%	1 185 039
Taxation	305 132	300 903	-4 229	-1,4%	319 961
Net Profit /(Loss) After Tax	824 986	813 552	11 434	1,4%	865 078

2.1. Revenue

Based on the recent trends, revenue is expected to increase by 3,3%. Thus, revenue is budgeted to increase to \$4.5m.

Saudi Nafisat revenue increased to \$71k (5.0%), based on the contract.

2.2. Total Operating Expenses

The total operating expenses before funding are budgeted to increase by 1,2% to \$3.4m, made up of the following cost categories:

2.2.1. Salaries And Related Costs

Salaries and related costs are budgeted to increase by 26.4% to \$628k based on the 2025/2026 financial year and in line with the expected salary increase and after considering the effects of foreign currency translations.

2.2.2. Travel And Accommodation Expenses

Travel expenses are budgeted at \$169k to cover the Supervisory Board meeting and Member States Training-related travel costs.

2.2.3. Telecommunication Expenses

Telecommunication expenses of \$149k have been budgeted in line with contracts with the relevant service providers.

2.2.4. Electronic Maintenance

Electronic maintenance expenses are budgeted at \$58k for the year under review. Included in the budget is a portion related to contingent maintenance, which covers unplanned corrective maintenance (emergencies) that may occur in addition to the planned routine maintenance.

2.2.5. Credit Loss Allowance

Credit loss allowance is budgeted at \$18k, considering the perceived risk on the recoverability of certain debtors.

2.2.6. Other Operational Expenses

Other operational expenses include the following:

- a) Bank charges at \$1,5k;
- b) Commission of \$82k based on collection trends;
- c) Indirect costs of \$402k in line with the agreement;
- d) Management fees of \$696k were budgeted for in line with the agreement;
- e) IATA management fees of \$112k; and
- f) Network management fee of \$1m in line with the agreement.

2.2.7. Professional Fees

Professional fees are budgeted at \$4.6k, consisting of audit fees for the year.

2.2.8. Contract Services

Contract services are budgeted at \$22k, containing freight activities for the year.

2.2.9. Depreciation

Depreciation is budgeted at \$175k based on the asset base and its reassessed useful life.

3. Finance Revenue

Finance Revenue is budgeted at \$174k, comprising interest received expected for the year.

4. Recommendation

It is recommended that the Supervisory Board approve the budget for 2027/28 as proposed.