

THE UNITED REPUBLIC OF TANZANIA NATIONAL AUDIT OFFICE



TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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AR/PAD/TTCL/2023/24

About the National Audit Office

Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap. 418.



Independence and objectivity

We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



Professional competence

We deliver high-quality audit services based on appropriate professional knowledge, skills, and best practices

Integrity

We observe and maintain high ethical standards and rules of law in the delivery of audit services.

Creativity and Innovation

We encourage, create, and innovate valueadding ideas for the improvement of audit services.

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Abbreviations

4G Fourth Generation5G Fifth GenerationAC Audit Committee

APP Annual Procurement Plan
B2W Bank account to the Wallet

BIC Budget and Investment Committee
CAG Controller and Auditor-General

CAPEX Capital Expenditure

COTWU Communication and Transport Workers Union of Tanzania

DG Director General

DSE Dar Es Salaam Stock Exchange

FTTX Fiber To The X

GDP Gross Domestic Product

HRAC Human Resources and Administration Committee

IAS International Accounting Standards

IASB International Accounting Standards Board ICT Information and Communications Technology

IESBA International Ethics Standards Board for Accountants

IFRS International Financial Reporting Standards

IP Internet Protocol

IRU Indefeasible right of use

ISSAIs International Standard of Supreme Audit Institutions

KPI Key Performance Indicators

LPO Local Purchase Order

NBAA National Board of Accountants and Auditors

National Information and Communications Technology Broadband

NICTBB Backbone

NIDC National Internet Data Centre
OCI Other Comprehensive Income

PAYE Paye As You Earn point of sales

PPRA Public Procurement Regulatory Authority
PSSSF Public Service Social Security Funds
SME Small and mid-size Enterprises

SMT Senior Management Team

TEWUTA Telecommunication Services Workers Union of Tanzania

TFRS Tanzania Financial Reporting Standards

TRA Tanzania Revenue Authority

TTCL Tanzania Telecommunications Corporation
UCSAF Universal Communications Service Access Fund

VAS Value Added Services

W2B Wallet to the Bank account

WTTX Wireless To the X

ZSSF Zanzibar Social Security Funds

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Board Chairperson,
Tanzania Telecommunications Corporation,
Extelcoms House,
32, Samora Street,
P.O. Box 9070,
11104 Dar es Salaam,
Tanzania.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of the Tanzania Telecommunications Corporation Limited (TTCL) and its subsidiary - TTCL PESA Limited (together "the Group"), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, statement of changes in net equity and statement of cash flows for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Tanzania Telecommunications Corporation Limited (TTCL) and its subsidiary - TTCL PESA Limited (together "the Group") as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of TTCL in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises the Report by those charged with governance, and Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements

My 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 audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs 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 on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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 entity'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 exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I 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. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap. 418 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, Cap. 410 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

Subject matter: Compliance audit on procurement of works, goods, and services I performed a compliance audit on the procurement of works, goods, and services in the TTCL for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that the procurement of goods, works and services of the TTCL is generally in compliance with the requirements of the Public Procurement laws.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the TTCL for the financial year 2023/24 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that the Budget formulation and execution of TTCL is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

Charles E. Kichere

Controller and Auditor General, Dodoma, United Republic of Tanzania.

March 2025

2.0 GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2024

2.1 INTRODUCTION

The Directors present the consolidated and separate financial statements for the year ended 30 June 2024 (the "period") which disclose the state of affairs of Tanzania Telecommunications Corporation (the "Corporation" or TTCL) and its subsidiary - TTCL Pesa Limited. Tanzania Telecommunications Corporation was established by the Tanzania Telecommunications Corporation Act Number 12 of 2017 on 1 February 2018 and is fully owned by the Government of the United Republic of Tanzania.

The audited financial statements for the year ended 30 June 2024 were submitted to the Office of the Controller and Auditor General (CAG) in accordance with a resolution of the Board of Directors on 27 January 2025

VISION, MISSION AND CORE VALUES

TTCL's culture consists of the shared vision, mission and core values as provided hereunder.

2.1.1 Vision Statement

To be a leading world class communication service provider in Tanzania. "Our focus is our customer and "Our strength is our people".

2.1.2 Mission Statement

To provide world class communication services to our customers, through continuous technological and customer care improvements with qualified and motivated employees and contribute to the national development and usage of Information Communication Technology (ICT).

2.1.3 Core Values

The core values of the Corporation are as follows: -

i. Integrity

We uphold maintain high standards of professionalism, respect, honesty and trustworthiness to maintain the Corporation's reputation through consistency of actions, values, methods, measures, principles, expectations and outcomes.

ii. Customer Centric

We strive for excellence in service delivery and commit to continuous service delivery improvement and put the interests of our customers as our first priority by providing services and solutions in a manner that is efficient, effective and responsive with the customer as the center of emphasis.

iii. Mutual Respect

We are impartial, work without discrimination and appreciate interdependence of diverse social groups through an open, available and affirming approach.

iv. Result-oriented

We commit to meet obligations by being focused and objective through providing high quality services based on standard and best practices.

v. Creativity

We strive to be innovative, inventive and up to date leading to improved performance through constantly promoting a culture of learning, developing and accepting value added ideas.

vi. Commitment

We are passionately dedicated to serve our customers with innovative solutions through high level of advocacy, customer care, technical capabilities and support.

2.2 NATURE OF OPERATIONS

The principal activity of the Corporation is to provide communication services including fixed and mobile services in both Tanzania Mainland and Zanzibar. The Corporation through its subsidiary provides mobile financial services in the country. TTCL provides a complete range of voice and data telecommunications products and services to retail and wholesale customers.

Descriptions of the nature of operations

2.2.1 The legislative and regulatory environment in which TTCL operates

The key functions of the Corporation are clearly elaborated in the Tanzania Telecommunications Corporation Act no. 12 of 2017 S.6 (1) which include the following:

- a) To enhance safety, security, economic and commercial viability of national telecommunications services and telecommunications infrastructure through:
 - i. Promotion of effective management and operations of telecommunications services;
 - ii. Development, maintenance, promotion and management of telecommunications services; and
 - iii. Maintenance of safety and security of telecommunications infrastructure
- b) In consultation with the Minister, plan, build, operate and maintain the Strategic telecommunications infrastructure proclaimed by Government;

- c) Carry out financial payment system in relation to telecommunications services;
- d) Operate telecommunications services in accordance with the laws and prescribed procedures governing telecommunications services;
- e) Operate and maintain all types of telecommunications networks, including ICT systems and services within and outside the United Republic of Tanzania;
- f) Provide incidental services which are necessary and proper for the purpose of the Corporation and its objectives;
- g) Provide services relating to audio and video content, multi-media, data storage and transmission, electronic payment, value added services (VAS), equipment repair and maintenance; provide technical support services to customers of the Corporation
- h) Introduce or manage other services that are similar or complementary to the services of the Corporation in the field of telecommunications and ICT for the purpose of developing or integrating these services;
- i) Provide consultancy and engineering or technical support services on matters relating to ICT to government institutions, large and small corporate and Small and Medium Enterprises (SME) as well as local authorities or other bodies;
- j) Promote local and foreign investments in telecommunications services;
- k) Undertake such other functions incidental to, necessary for the purpose of giving effect to the provisions of this Act.

2.2.2The industry in which the Corporation operates

TTCL is under the Ministry of Communication and Information Technology. The Corporation works under the telecommunication licence provided by the Tanzania Communication Regulatory Authority (TCRA) for all services and products relating to communication. For mobile financial services, TTCL operates under the licence issued by the Bank of Tanzania (BOT).

The communication sector recognizes the importance of digital technology and has various plans to become ever stronger. Currently, TTCL is the largest operator of fixed telecommunication network infrastructure in the sector, owning the two important digital infrastructures with 97% market share in the fixed market. This signifies that; The Corporation has a pivotal role to play in developing the digital economy in the country by providing fixed communication services, especially the services provided to corporate, wholesale and retail customers. On the other hand, TTCL has a 2.2% market share in mobile operations as at 30 June 2024.

The Corporation continues to use its internally generated funds and secure external funds to maintain and expand its fixed network where it has a competitive advantage over other operators. The intention is to maintain its leadership status in the fixed business market.

2.2.3TTCL Pesa Limited

TTCL is conducting Mobile Money business through its subsidiary company known as TTCL PESA LIMITED. The subsidiary was incorporated on the 6th day of July, 2017, with the main objective among others, to carry out the business of Mobile Commerce (Electronic Money Issuance) for the Corporation.

The principal activity of the subsidiary company is to provide Mobile Financial Services through its TTCL PESA Platform. TTCL PESA LIMITED provides an avenue for the financial inclusion of the un-banked to formal financial services that allows easy and convenient Cashless transactions electronically. TTCL PESA LIMITED has a total customer base of 1,422,381 which is equivalent to 2.55% mobile money market share of as at the end of June, 2024.

TTCL PESA LIMITED provides the following financial services;

- Transfer funds from one account to another account (Peer to Peer);
- Transfer funds from Wallet to the Bank account (W2B);
- Transfer funds from Bank account to the Wallet (B2W);
- Cash out funds (e-value for cash) at Agents locations;
- Purchase Airtime and Bundles from TTCL PESA Wallet;
- Pay for utilities (Government Payments, Electricity, Water, TV Subscriptions etc.);
- Cash deposit (cash for e-value) at Agents locations;
- Merchant Payment known as "Lipa kwa T-PESA";
- Bulk Disbursement Solution;
- Pay for purchases at supermarkets, gas stations and other merchant's service providers through Master pass;
- Send Money from one network to another (Interoperability service);
- Payment Solution through N-CARD that allows T-PESA Customers to make various payments such as National and Regional Stadium sports tickets, Kigamboni-Ferry & Saba Saba exhibition;
- E-ticketing services for purchasing bus tickets services and Air tickets,
- Insurance Services.

2.2.4Government Strategic Infrastructures

TTCL is mandated to operate Government strategic infrastructures as explained below

i. National Information and Communications Technology Broadband Backbone (NICTBB) Infrastructure.

In November 2023, the Government of United Republic of Tanzania officially transferred ownership of the National ICT Broadband Backbone (NICTBB) to TTCL. Previously, the NICTBB was owned by the government through Ministry of Communication and Information Technology, while TTCL was responsible to manage its daily operations. This transfer marks a significant step in the government's ongoing efforts to position Tanzania as a hub

for ICT infrastructure and solutions, thereby transforming the nation into a knowledge-based society.

The NICTBB is a critical asset for facilitating the implementation of key national initiatives such as e-government, e-health, e-commerce, and e-learning. These initiatives are integral to the country's broader strategy for poverty reduction and accelerating socioeconomic development.

Currently, the NICTBB network spans 13,578 kilometers, now covering all regions of Tanzania and reaching 106 out of the 139 districts. The network also extends to key border points with neighbouring countries, including Rwanda (Rusumo), Burundi (Kabanga & Manyovu), Malawi (Kasumulo), Uganda (Mutukula), Kenya (Namanga, Horohoro & Sirari), Zambia (Tunduma), and Mozambique (Mtambaswala). This expansion highlights the government's commitment to enhancing regional connectivity and providing open access to international submarine optic fiber cables, including the new 2 Africa Landing Station, in addition to the existing EASSy and SEACOM Landing Cable Stations.

The NICTBB is undergoing significant expansion through three key phases. Phase I which is the portion of the project that was handed over from the Ministry of Communication and Information Technology to TTCL for completion. This phase is now in its final stages under TTCL's management. Phase II was completed in December 2024, further extending the reach and capacity of the NICTBB to provide highest quality of services to its customers. Phase III is also ongoing, with continued efforts to enhance the infrastructure, ensuring that the backbone supports the growing demand for ICT services across Tanzania and its neighbouring regions most especially to the DRC.

ii. National Internet Data Centre (NIDC) Infrastructure

NIDC Infrastructure is owned by TTCL after the decision of the Government to transfer ownership of the centre to TTCL from November, 2023. Previously, the Government mandated TTCL to manage NIDC Infrastructure. NIDC is a state-of-art tier-3 Data Centre connected with upgraded MPLS National backbone with the support of Seacom & EASSY international submarine cables making it a strategic hub for East Africa and beyond. NIDC is among of the largest data centre in East Africa which serves both local and international customers. The National Data Centre provides the following basic data Centre services

- Co-location;
- Dedicated servers with total customer control;
- Virtual servers which are customized according to customer needs;
- Storage/Back up services; and
- Domain registration and Web Hosting services.

In addition, NIDC provides Research and Development services in which it has designed and implemented digital solutions. Among the systems developed are e-RCS (Electronic Revenue Collection System) which act as "enabler" to enhance revenue collection for electronic driven companies, N-Card and Electronic ticketing systems.

2.2.5 Main products, services, stakeholders, business processes and distribution methods

i. Products and Services

TTCL is the largest wire-line Telecommunication carrier in Tanzania providing complete range of voice and broadband services to retail and wholesale customers. The Corporation provides mobile services for both data and voice country wide; furthermore, TTCL offers mobile financial services through its subsidiary, TTCL Pesa Limited. The Corporation is currently operating under the five (5) years strategic plan 2022/23 - 2026/27 whereby the main focus is to expand its fixed business segment especially in the area of fibre connection - FTTH "Faiba Mlangoni Kwako".

The Corporation provides a wide range of services in its portfolio including fixed and mobile data, wholesale data, fixed and mobile voice, co-location as well as devices and terminals. Also, through its subsidiary the Corporation provides mobile financial services such as money transfer, bill payment including LUKU purchase.

TTCL has also been mandated by the Tanzania Telecommunications Corporation Act Number 12 of 2017 to operate and maintain all types of telecommunications Networks, including ICT systems and services within and outside the United Republic of Tanzania (The National Information and Communications Technology Broadband Backbone (NICTBB) and National Internet Data Centre (NIDC) on behalf of the Government

ii. Stakeholders

The main stakeholders of the Corporation include Employees, Parliament, TCRA, BOT, Government, Customers, TRA, Suppliers, Financial Institutions, and General Public.

iii. Business processes and distribution methods

The main processes and distribution methods are those which aim to improve health services and minimizing HIV/AIDS infections; to ensure that effective implementation of national anti-corruption strategy is enhanced and sustained; to expand commercial undertaking; to improve public access to communication services; to improve financial management; to ensure customer service transformation is attained and to improve internal processes.

2.2.6Structure of the TTCL's Operations

TTCL is governed by the Board of Directors which is established under Section 7 of the Tanzania Telecommunications Corporation Act Number 12 of 2017. The Board is responsible for overseeing the functions of the Corporation provided under section 6 of the Act. Also, the Board is responsible for managing all affairs of the Corporation.

The Board of Directors is the highest decision-making organ of the Corporation. With reference to the Tanzania Telecommunications Corporation Act No.12 of 2017 section 7(1) & (2); the Board of Directors consists of Chairman/Chairperson who is appointed by the

President of the United Republic of Tanzania, six (6) members who are appointed by the Minister responsible for Communication.

The Director General is the Secretary to the Board as per S. 15 (1) (d) of the Tanzania Telecommunications Corporation Act No. 12 of 2017.

The Board is required to meet at least four (4) times a year. The Board delegates its day-to-day management of the business to the Director General (DG) who is assisted by the Senior Management Team (SMT). The SMT is invited to attend board meetings and facilitates the effective control of the Corporation's operational activities, acting as a medium of communication and coordination between various business units.

The management of the Corporation is under the Director General (DG). The operations have been divided into the following business units; Sales and Marketing, Technical & Operations, Finance, Legal, Internal Audit, Human Resources and Administration, Procurement and Supplies, Risk and Quality Management and Safety & Security Management. The Director General is appointed by the President of United Republic of Tanzania under section 14 of the Tanzania Telecommunications Corporation Act of 2017.

TTCL's Head Office is at Extelecoms House, 32 Samora Avenue, P.O. Box 9070, Dar Es Salaam and it operates in all regions and districts in Tanzania Mainland and Zanzibar.

TTCL organization structure is shown under the figure below:

THE APPROVED FUNCTIONS AND ORGANIZATION STRUCTURE OF TANZANIA TELECOMMUNICATION CORPORATION (TTCL) (Approved by the President on 21st May, 2018) BOARD OF DIRECTORS DIRECTOR GENERAL PROCUREMENT & SUPPLIES MANAGEMENT UNIT INTERNAL AUDIT UNIT CHIEF INTERNAL AUDITOR MANAGER STRATEGIC PLANNING AND BUSINESS DEVELOPMENT UNIT MANAGER PUBLIC RELATIONS UNIT SUBSIDIARIES LEGAL SERVICES UNIT DIRECTOR RISK AND QUALITY MANAGEMENT UNIT MANAGER SAFETY AND SECURITY MANAGEMENT MANAGEMENT OF STRATEGIC GOVERNMENT INFRASTRUCTURE UNIT MANAGER MANAGER TECHNICAL & OPERATIONS DIRECTORATE DIRECTOR COMMERCIAL DIRECTORATE DIRECTOR HR & ADMIN DIRECTORATE DIRECTOR FINANCE DIRECTORATE DIRECTOR Marketing Research Section
Manager Network Operations and Maintenance Product Development Section Manager nistration Section Manager Information Solutions and Services Product Promotion Section Retail Sales & Distribution Section Network Planning Deployment and Implementation Section Manager Revenue Assurance & Debt Management Section Manager Enterprise Business Section Manager Manager Telecom Technologies Research Section Customer Service Section Manager Regional Offices Managers Zanzibar Office

Figure 1: TTCL Organization Structure

2.2.7Effectiveness and efficient utilization of resources

The Corporation utilizes tangible and intangible resources in order to generate revenues and increase profitability level. In the financial year under review TTCL uses internal generated funds to invest in capital expenditures so that to increase revenue generation, however this is not sufficient therefore TTCL is looking for external sources of financing to achieve its strategic objectives. Human resources have been improved by giving its employees proper training according to knowledge and skills gap analysis so that to impart them with required knowledge and skills necessary to perform their duties. TTCL has well composed Board of Directors, effective Management team, competent human resources, deployed telecommunication infrastructures and documented internal operating procedures.

2.2.8External Environment

TTCL like any other organization is impacted by its surrounding environment. The following is a summary of the analysis of external environment issues that could have an impact on the operations of the Corporation.

a) Market and Competition Position

The Mobile sector in the country has reached 91% penetration rate, which makes a total of 66% geographic coverage. The Sector has over 39 million internet users and 56 million mobile money subscribers. This sector has a pivot role to take Tanzania into the Fourth Industrial Revolution which is a global phenomenon. It builds in part on the collection and use of digitized data (Drones, IoT, AI, and Big Data). The sector recognizes the importance of digital technology and has various plan to become ever stronger. Currently, TTCL is the largest operator of fixed telecommunication network infrastructure in sector, commands 97% market share in the fixed market. TTCL has 2.2% market share in mobile operations. TTCL continues to expand its fixed business by focusing on the Fiber to the home (FTTH) business which aims to connect individual, business and other customers in the fiber network to access speed and more reliable fixed data services.

Mobile financial services business is very competitive in the country whereby by large part of the market share of about 96% is owned by private entities. TTCL owns only 2.55% of the market share in the mobile financial services market in the financial year 2023/24.

b) Legislation and Regulatory Environment

TTCL is working under the Tanzania Telecommunications Corporation Act. Number 12 of 2017 which highlights key functions of the Corporation. The general operations and management of the Corporation is governed by Public Corporation Act, 1992.

The Corporation is operated under the Ministry of Communications and Information Technology which govern all policy issues relating to communication sector in the country. TTCL is using telecommunication licence which is offered by Tanzania Communications Regulatory Authority (TCRA) for Telecommunication Services. For mobile financial services, TTCL is operating under licence issued by Bank of Tanzania (BOT). Also, TTCL is a member of the Southern Africa Telecommunications Associations (SATA).

c) Macro and Micro Economic Conditions

Macro and Micro Economic conditions determine an economy's performance impacting the Corporation operational capabilities as well as its sustainability.

In the financial year 2023/24, TTCL continues to enjoy a single digit rate of inflation which influence the Corporation to perform its function.

Although, in the same financial year TTCL is highly affected by rapid fluctuation of exchange rates which led to increase cost of acquiring goods and services from abroad. Scarcity of dollar was another challenge experienced by the Corporation in the financial year under review. TTCL purchases a number of services and products from abroad therefore scarcity of dollar in the country hinders smooth implementation of some projects. Furthermore, the Corporation was affected by rise in global oil demand as a result of a war between Russia and Ukraine. This led to increase its operational cost especially in the area of oil and lubricants.

d) Market Forces

TTCL is operating in a very competitive telecommunication industry in Tanzania. The industry is divided into fixed and mobile segments, TTCL is a core player in the fixed business which is attributed by its position of owning and managing National ICT Backbone Broadband (NICTBB) and well-structured fixed network in the country. TTCL provides both retail and wholesale fixed services in Tanzania. Although, the Corporation has competitive advantage in fixed business with more than 97% market share but few competitors have shown interest in investing in fixed business. The Corporation thrives to expand its network to capture retail fixed business customers and provide better telecommunication services in order to maintain and increase its market share in fixed business.

The mobile business is very competitive whereby TTCL fails to success. The sector is dominated by private entities with massive investments which led them to acquire large market share of more than 96% while TTCL has only 2.55% market share.

e) The speed and effect of technological change

Telecom business is faced by rapid changes in technologies. One of the largest trends that telecom companies have slowly started to implement over the last couple of years is 5G which is more reliable than its predecessors including 3G and 4G. The risk is that the change in technology and market dynamics may affect TTCL significantly before realizing the returns on investments. There is a possibility of migration from 4G to 5G mobile technology before the Corporation has maximized the potential of 4G technology. The Corporation will mitigate this risk by ensuring the acquired network contracts have guarantee for upgrades in case of any technological changes.

TTCL thought the support from the Government continues to upgrade 2G and 3G rural network into 4G network.

In the financial year 2023/24, TTCL continued to improve its internal systems in order to ensure smooth operations of its activities. Implementation of New Enterprises Resources Planning (ERP) through EGA has been improved to the final stage, upgrading of Billing system and adopting e-office system to facilitate day to day operations. In addition to that TTCL is finalizing upgrading of payment system which will intend to enhance performance of its subsidiary. Integration between billing system and ERP has been completed during the financial year 2023/24. Further, TTCL has adopted NeST (National e-Procurement System of Tanzania) which is an electronic system that facilitates e-registration, e-tendering, e-contract management, e-payment, e-catalogue and e-auction. NeST supports processes of procuring Goods, Works, Consultancy, Non-Consultancy and Disposal of assets.

The Corporation continues to provide training to its technical and ICT staff to enable them to cope with new development in technology.

f) Societal issues

The overriding TTCL objective intends to transform the Tanzania population into a knowledge base society through the use of cost-effective Telecom and ICT services and solutions for social and economic development. The intention is to ensure digital economy is achieved in Tanzania going forward.

TTCL continues to support society through its Corporate Social Responsibility (CSR) program whereby it supports society in the area of health, environment conservation, education, orphanage centers and sports.

However, despite continuous participation and support, demands from societies are higher than approved annual budgets. Going forward, the Corporation will consider increasing its budget allocation and focus its contribution to welfare of the society.

g) Environmental Challenges

The unpredictable weather patterns caused by climate change have a critical impact on our connectivity infrastructure. Flooding, freezing and other extreme weather events can damage core telecom nodes at any moment, and they have the potential to cause huge connectivity issues. In the financial year under review Tanzania has experienced huge volume of rains and long rainy season as a result majority of TTCL core networks have been affected by floods. Due to that the fiber network becomes exposed and prone to cut. This is the risk which needs the future- proofing of telecom networks. TTCL continues to monitor and follow-up press release provided by Tanzania Meteorological Authority (TMA) so that to mitigate risks which may arise as a result of climate change.

Another challenge is on cost of energy which is always high because everything in telecom industry uses power. This poses the challenge on how the corporation can reduce power usage. The same has impact on the environment by generating tons of carbon dioxide. Some researchers are analyzing on how telecom can make use of smart utilities in years to come.

During the financial year 2023/24, TTCL initiated the changes from paper-usage organization to paper-less organization in order to avoid environmental effects in the society. TTCL has introduced e-office system which aims to remove uses of paper files in all TTCL offices countrywide. Furthermore, TTCL has introduced a shared drinking water in all of its offices in order to discourage uses of individual bottles so that protect environment.

h) Political Environment

The political environment in the country is calm for the Corporation to perform its functions without political challenges. The country remains with peace and harmony all the time. The plans and budgets of the Corporation are prepared and implemented while observing the leading political party (Chama Cha Mapinduzi) manifesto. There was no political interference to the Corporation in excising its mandate. However, no contribution has been given to any political party in the financial year 2023/24.

i) Compliance with Laws and Regulations

The Corporation has continued to be a good corporate citizen by instituting measures to ensure compliance with the country laws and regulations, including: -

- i. Tanzania Telecommunications Corporation Act No.12 of 2017
- ii. The Electronic and Postal Communications Act. Revised Edition 2022.
- iii. The National Payment System Act, 2015
- iv. The Income Tax Act No. 11 of 2004,
- v. The Environment Management Act (Cap191),
- vi. Public Procurement Act, Cap 410
- vii. Fire and Rescue Force Act of 2007,
- viii. Tanzania Meteorological Authority Act No. 2 of 2019,
- ix. Tanzania Communications Regulatory Authority Act No. 12 of 2003,
- x. Occupational Health and Safety Act No. 5 of 2003,
- xi. Land Act (Cap 113),
- xii. The Employment and Labour Relation Act of 2004 and
- xiii. The Public Service Act. Cap 298
- xiv. Tanzania Investment Act Cap 38
- xv. The Public Finance Act Cap 348
- xvi. Tanzania. Public Corporations Act. Cap 257.

2.3 OBJECTIVES AND STRATEGIES

2.3.1 Objectives of the Corporation

The objectives of the Corporation in carrying out its functions as provided in the Tanzania Telecommunications Corporation Act No.12 of 2017 are as follows: -

- i. Expanded commercial undertaking
- ii. Improved public access to communication services
- iii. Improved financial management
- iv. Improved customer management
- v. Improved internal process

- vi. Health Service Improved and HIV/AIDS Infections reduced
- vii. Effective Implementation of National Anti-Corruption Strategy enhanced and sustained

Among the short-term targets which has been achieve by the Corporation are:

- i. Turning around mobile business by increasing coverage through roaming by Airtel and Honora. This has increased mobile coverage and improve TTCL visibility throughout the country.
- ii. Connecting FTTH more than 19,184 customers out of 20,000 customers which were planned to be connected in the financial year during the year 2023/24.

2.3.2 Strategies for Achieving Objectives

TTCL is operating under the five years' strategic plans of 2022/23 - 2026/27 which have five (5) core strategic objectives as explained above and other two (2) national strategic objects which are Health Service Improved and HIV/AIDS Infections reduced as well as Effective Implementation of National Anti-Corruption Strategy enhanced and sustained. Each objective has its own strategies in order to be attained. All strategies are highlighted below:

Expanding commercial undertaking

This objective has the following strategic actions: -

- Provide high-quality and reliable Fixed Broadband Solutions to consumers, households and SMEs.
- Enhance leased facilities and colocation infrastructures to carter current and future telecom industry needs.
- Provide Back-hauling/IPT capacity to cross border countries.
- Provide back-hauling services to MNO and ISPs' sites through the NICTBB infrastructure.
- Provide high-quality data and internet services through fiber connectivity to government institutions, private institutions & corporate.
- Establish Public WiFi access points across identified strategic public areas in the country.

Improved public access to communication services

The following are strategic actions in order to achieve this strategic objective: -

- Develop high capacity, wider, resilient and reliable fixed and mobile communication infrastructure based on latest and advanced technologies.
- Deploy and Modernize network security, performance and configuration management systems for end to end (E2E) visibility and control of the communication infrastructure.
- Deploy high capacity and high availability Data Center Platforms.

Improved financial management

The strategic actions for this objective are as follows: -

Mobilize funds for investment from various sources.

- Strengthen debt management and revenue collection.
- Enhance costs containment through having appropriate number of cost accountants and close cost monitoring by every unit head.
- Enhance revenue assurance and fraud control process.
- Ensuring timely execution of Investment decisions.

Improved customer management

The strategic actions in order to achieve this objective are as follows: -

- Deploy automated service provisioning systems.
- Deploy service data collection system and enhance data analytical skills.
- Enhance customer management system.
- Continuous customer service quality training for marketing and business development staff.

Improved internal process

The following are strategic actions for this objective: -

- Develop, update and enhance internal systems and processes.
- Enhance records and archiving to strengthen documentation processes.
- Conduct structured, need-based training for capacity building.
- Recruit a more skilled workforce.

Health Service Improved and HIV/AIDS Infections reduced

The following strategies will be used to attain this objective: -

- Increased staff awareness on the effects of HIV and AIDS and NCDs
- Improved support and care services

Effective Implementation of National Anti-Corruption Strategy enhanced and sustained The following is a strategy in order to achieve this objective: -

Enforce and ensure compliance with fraud and anti-corruption guidelines

2.3.3 Managing Operations of the Corporation

The overall management of the Corporation is conferred to the Board of Directors which is required to ensure adherence to the governing laws and procedures. The Board delegates the day-to-day management of the Corporation to the Director General (DG) who is assisted by Senior Management Team (SMT). Senior Management was being invited to attend Board meetings and facilitates effective control of all operational activities, acting as a medium of communication and coordination between various operational areas.

In managing the external environment of TTCL Corporation, the Board has established the system where the Management engages key stakeholders by holding consultative meetings with them and receive their comments or views on the Corporation's performance and other issues relevant for effective regulation of the Telecommunications sector.

2.4 STATEMENT OF SERVICE PERFORMANCE INFORMATION

The Corporation's Service Performance Information discloses information needed for accountability and decision-making purpose, primarily to help users of the report by Those Charged with Governance to understand what the Corporation had set out to achieve (target) and what it has achieved (results). The service performance information is generally a mix of qualitative and quantitative reporting. The reporting of service performance information is based on two elements:

- (i) Outcomes: What the Corporation seeks to achieve in terms of its impact on society; and
- (ii) Outputs: The goods or services that the Corporation delivers during the financial year.

The Corporation reporting of service performance information is provided in this report under Key Performance Indicators.

2.5 TTCL OPERATING MODEL

The Corporation's operating model is the system of transforming inputs, through its operating activities, into outputs and outcomes that aim to fulfil TTCL's strategic purposes and create value over the short, medium and long term. Thus, TTCL Operating Model is explained below:

2.5.1 Inputs

These are resources used by the Corporation in order to produce expected outcomes to the society. It includes everything which assist TTCL to fulfill its strategic objectives. These include the following key issues: -

(a) Human Resources

TTCL has competent, experienced, knowledgeable and skilled human resources which combine both old and new young generation. TTCL employees are well motivated through its incentive scheme which enable them to work professionally with high level of enthusiasm and ethical manner. Knowledge and skills are easily transferred from old generation which has institutional memory to the new generation to ensure sustainability of the Corporation.

(b) Financial Resources

Financial resources include the funds required by the Corporation to finance both operating and capital expenditures. TTCL generates funds from internal sources. Also, It obtains grants and capital injection from the Government to finance telecommunication projects especially NICTBB development and rural telecommunication projects. In addition to that TTCL may obtains fund from financial institutions through loans etc.

(c) Social and Relationship Capital

The Corporation has a very good relationship with various stakeholders including general public. TTCL maintains good relationship with the Government through its parent Ministry responsible for communication. TTCL participates in several meetings and workshops with members of Parliament through their committees. There is good cooperation's between TTCL and its employees, suppliers and customers. The Corporation engaged actively in improving social welfare of the society by participating in Corporate Social Responsibility programs.

(d) Investing in Operating Systems

TTCL invest heavily in the development and improvement of existing operating systems. In the financial year 2023/24, TTCL initiate the procurement process of acquiring a new mobile money system which aims to improve financial services offered by a subsidiary company. The billing system has been improved to meet current business needs and demand. The Corporation in collaboration with EGA finalizes the development of Enterprise Resources Planning (ERP) aims to improve business operations process.

(e) Other Capital

These are Laws and Regulations which assist the corporation to discharge its functions judiciously and fairly.

2.5.2 Operating/Business Activities

The Corporation implements a number of activities in converting inputs into quality service delivery. The following are operating activities performed by the Corporation: -

- Innovate new products and services depending on the demand and needs of customers.
- Improve and expand telecommunication infrastructure
- Develop investment proposals so that to secure more funds from various sources.
- Maintain our core network to ensure quality of services are attained all the time.
- Improve financial management including debt management and collections.
- Provide regular training depending on training needs assessment. This aims to reduce and eliminate the knowledge gap among employees.
- Maintain customers by providing high level customer services and respond to all complaints raised by customers.
- Improve internal controls, key business process and procedures, policies, guidelines, regulations and circular.
- Ensure full compliance with the laws and regulations governing TTCL operations.

2.5.3 Outputs

During the financial year 2023/24, the Corporation managed to obtain the following outputs.

- Expand customer base of Fiber to the home (FTTH) service.
- Introduce Public WIFI services in various public areas such as Benjamin Mkapa National Stadium, University of Dar Es Salaam, At the top of Mount Kilimanjaro and being the first company to provide data services at the top of highest mountain in Africa.
- Reduce number of complaints from customers.
- Initiate the process of securing more funds from financial institutions to finance telecommunications projects.
- Improve capacity in the National ICT Backbone Broadband.
- Reduce number of labour turnover.

2.6 CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

The Corporation's current and future development and performance are explained below:

2.6.1 TTCL Strategic Plan

The Corporation continued to implement its Five (5) Years Strategic Plan 2022/23 - 2026/27. The Strategic Plan intended to guide the transformation of TTCL towards reclaiming its leading role in the country's telecommunication industry. The ultimate aim is to transform corporation into the market leader in ICT solutions in Tanzania, and to effectively deliver towards/drive the advancement of the digital economy in Tanzania in support of and alignment with national development objectives and goals as stated in the ICT Policy 2016, National Development Vision 2025 and the Five-Year Development Plan III (FYDPIII).

Under the envisaged transformation, TTCL's strategic focus will be on:

- (I) Expanded commercial undertaking;
- (II) Improved public access to communication services;
- (III) Improved financial management;
- (IV) Improved customer management; and,
- (V) Improved internal processes.

Various strategic actions have been identified in this plan to ensure that the SMART goals are achieved. While significantly improving service delivery to all client segments, the Corporation will redirect offering towards the following key products and services

- (i) Expanding and strengthening broadband services (including FTTx);
- (ii) Data storage and hosting services; and

(iii) Connectivity to neighboring land locked countries so as to strategically strengthen export of other products and services to these countries.

In order to perform the Corporation day-to-day operations, the Medium-Term Expenditure Framework (MTEF) was developed every financial year, based on the Strategic Plan to guide Management on implementation of day-to-day activities. The Board continues with its oversight function to make sure that these plans are effectively implemented.

2.6.2 Development Plan and Performance

In the financial year 2023/24, TTCL continues with its cost containment strategy in order to manage avoidable costs and improve its financial performance. The Corporation implement several strategies to minimize operating costs including reducing co-located sites with HTT, Re-negotiate Roaming contract with Honora to get reasonable prices, reducing commission and discount rates given ato dealers etc.

The Corporation continues to innovate new products and services to facilitate increase in revenue generation. TTCL invests in FTTH services which are highly demanded by customers. Also, investment in Public WIFI has been improved which attract more customers therefore improve revenue generation.

In addition, the Corporation continued with automation and modernize its business operations to ensure rendered services satisfy and meet needs and expectations of its customers and other stakeholders in general. This includes upgrading of billing system, development of new accounting system, enhancing operating system through ERMS and adopting e-office system which facilitate smooth operations and service delivery.

TTCL will continue to transform business operations and overall service delivery in order to increase its revenue and therefore becoming one of the key players in Tanzania and Regional Telecom markets in the near future. The strategic business plan focuses on positioning the Corporation as number one in providing telecommunications services in Tanzania with main focus on quality fixed data services. The Corporation's objectives, strategies, targets are ambitious and aimed at improving operational excellence to attain a considerable Return on Capital Employed (ROCE) as well as improving provision of telecom services to its customers.

The Corporation is expected to invest a total of USD 1,033 million as per its five years Strategic Plan from July, 2022 to June, 2027. The capital investment expected to cover three major CAPEX categories; Fixed Access Network (Fiber To The X - FITX); Radio Access network (4.5G/5G Wireless To the X - WTTX) and Transport Network (NICTBB & Submarine Infrastructure). The Corporation's investment is aiming to support digital economy by connecting 1,000,000 FITX subscribers by June 2027 and remain as a top player in provision of Back-hauling and Fixed Network Services in the country.

The Corporation will continue to invest in rural areas through Universal Communications Service Access Fund (UCSAF) projects which are subsidized by the Government to enable majority of people in the rural areas to access communication services. Furthermore, TTCL Corporation will continue to invest on its network infrastructures through internal generated funds and additional funds from external sources. This will enable the Corporation to

overcome the costs related to roaming and co-location therefore improve its financial performance.

TTCL aims principally to improve its fixed network by expanding FTTX and 4G/4.5/5G networks to provide quality broadband/data services to its customers. Investment in FTTX network is also geared to replace existing copper access network which is aged/vandalized and can no longer used to sustain the business. The focus will be given to those areas which have high market demand.

Furthermore, TTCL will continue to support its subsidiary (TTCL Pesa Limited) in the implementation of its strategic and business plan by adding additional capital for investment and improving offered services.

2.7 OPERATING AND FINANCIAL REVIEW

Operating and financial review provides a comprehensive review of the TTCL Corporation performance and financial position for the year.

2.7.1 Significant Aspects of the Statement of Financial Performance

The following is an analysis of TTCL Corporation financial performance for the year ended 30 June 2024: -

Operating revenue

The Group operating revenue during the period ended 30th June 2024 amounted to TZS 165,000 million compared to TZS 149,288 million in the prior year ended 30 June 2023 which representing an increase of TZS 15,712 million equivalent to 11%. The main reasons for the increase in operating revenue is the increase of ICT Capacity revenue by TZS 14,857 million, Fixed data revenue by TZS 8,318 million, collocation to others by TZS 1,202 million and wholesale data by TZS 1,828 million.

However, during the same financial year of 2023/24, there are other revenue streams recorded notable decrease in their revenue such as mobile revenue which has decreased by TZS 7,803 million and fixed voice which recorded a decrease of TZS 387 million as compared to previous financial year. Management has noted and taken initiatives on areas where revenue has been decreased for example;

- Mobile revenue is expected to increase after the initiative taken by Management to increase mobile coverage through roaming with Honora and Airtel at a reasonable prices. The two operators have wide coverage throughout the country, the same has increased TTCL visibility and coverage.
- Initiate Mobile business promotion campaign countrywide known as WALETE campaign which aimed to attract more customers and therefore increase mobile revenues.

Furthermore, TTCL has recognized revenue derived from sales of NICTBB services effective from December, 2023 as per Memorandum of Understanding (MOU) between TTCL and Ministry of Finance.

Cost of sales

The Group cost of sales during the period of 2023/24 is TZS 51,928 million as compared to TZS 73,039 million for the prior financial year of 2022/23, this represents a decrease of TZS 21,111 million equivalent to 29%. The decrease in costs was mainly contributed by decrease in discounts and commission paid to dealers by 458 million, leased line costs by TZS 20,154 million as a result of business combination with NICTBB which saves capacity costs by TZS 12,693 million. Also, decrease in cost of sales was attributed by the decrease in National roaming costs by TZS 2,936 million.

With cost containment strategy, Management is closely monitoring the increase in costs of sales because the same are directly related with revenue generation. Therefore, Management will continue negotiating better deals on commission payable to dealers; Also, National roaming costs will continue to be at the reasonable price per unit (Data, Voice and SMS) after initiatives taken by Management to negotiate better deals.

Gross profit

Gross profit margin (Group operating revenue less cost of sales) has increased from TZS 76,249 million in the financial year 2022/23 to TZS 113,072 million in the financial year 2023/24 which is an increase of TZS 36,823 million equivalent to 48%. The increase was mainly resulted from an increase in operating revenue by TZS 15,712 million (11%) and decrease in costs of sales by TZS 21,111 million (29%).

Other income

Other income includes rental income, decrease in impairment of debtors and miscellaneous income. Other income has decreased by TZS 14,323 million which represents 62%, other income has decreased from TZS 22,962 million in the year 2022/23 to TZS 8,639 million in the year 2023/24. The decrease was mainly caused by recognition of decrease in impairment of assets recognized as other income in the financial year 2022/23 which was not happened in the financial year 2023/24.

Total operating expenses

Operating costs includes sales and marketing expenses, network operational costs, and general and administrative expenses. During the period, total operating expenses amounted to TZS 142,677 million in the financial year 2023/24 as compared to TZS 105,236 million in the prior year of 2022/23 which representing an increase of TZS 37,441 million (36%), this is mainly caused by increase in depreciation of telecom assets by TZS 13,602 million as a result of business combination of TTCL with NICTBB and NIDC, payroll costs by TZS 14,585 million as a result of increase of casual labour payments and implementation of incentive scheme, NICTBB Deferred asset amortization by TZS 9,733 million, energy costs by TZS 2,467 million, Net foreign exchange loss - unrealized by TZS 2,358 and Other administrative expenses by TZS 728 million.

Finance income

This includes interest received from call account deposits. During the year 2023/24, finance income amounted to TZS 520 million was received as compared to TZS 1,011 million in the year 2022/23. This was mainly caused by reduction of cash balances deposited in call accounts.

Finance costs

During the year 2023/24, finance costs incurred amounted to TZS 247 million as compared to costs of TZS 355 million in the year 2022/23; The decrease of TZS 108 million is related to decrease in estimated finance costs relating to Asset Retirement Obligation on telecom assets for the year 2023/24.

Profit / Loss after Tax

General Group Performance indicates that; the Corporation has made a loss after tax of TZS 27,144 million during the period ended 30 June 2024 as compared to a loss of TZS 4,169 million for the year ended 30 June 2023. The main reason for this under performance is due to increase in operating expenses by TZS 36,767 million. Also, during the financial year 2023/24 estimated figure for deferred tax liability recognized as expense has been increased as a result of increase of assets relating to NICTBB and NIDC.

Also, increase in depreciation charges and other costs relating to recognition of NIDC and NICTBB financial data have contributed to the loss obtained by the Corporation. The revenues derived from NIDC and NICTBB operations were less as compared to costs associated with NIDC and NICTBB operations.

In additional to that the loss was attributed by implementation of staff incentives scheme and other associated employees' costs which led to increase staff costs by TZS 14.6 Billion.

Key Performance Ratios (KPR)

TTCL key performance ratios are shown under the table below:

Table 1: TTCL key performance ratios:

No.	Particulars	2023/24	2022/23
1	Gross margin	69%	51%
2.	Earnings before interest, tax, depreciation and amortization (EBITDA)	10%	12%
3.	Earnings before interest and tax (EBIT)		-4%
4.	Profit after tax (PAT) margin	-16%	-3%

2.7.2 Significant Aspects of Statement of Financial Position

The following is relating to analysis of TTCL Corporation financial position for the year ended 30th June 2024: -

Government trade receivables

The Government trade receivables has decreased by TZS 49,918 million which is a decrease of 60% as compared to the prior year. The Government Trade receivables has decreased from TZS 83,080 million in the financial year 2022/23 to TZS 33,162 million in the financial year 2023/24 due to business combination between TTCL, NIDC and NICTBB which results into elimination of inter company transactions.

Trade and other receivables

Trade and other receivables decreased by TZS 14,361 million which is 22% decrease as compared to prior year. Trade and other receivables have decreased from TZS 66,729 million in the financial year 2022/23 to TZS 52,368 million in the financial year 2023/24 due to collection efforts implemented by Management.

Property, Plant and Equipment

Property, plant and equipment has increased by TZS 554,470 million which is equivalent to 157% increase from prior year. This asset category has increased from TZS 353,067 million in the financial year 2022/23 to TZS 907,537 million in the year 2023/24. The huge increase in PPE is attributed by business combination between TTCL, NICTBB and National Internet Data Center (NIDC) whereby large number of assets relating to NICTBB and NIDC were transferred to TTCL.

Inventories

Inventories has increased by TZS 1,900 million (34%), this asset class is used in construction of various Telecommunications infrastructures. The asset category has increased from TZS 5,600 million in the financial year 2022/23 to TZS 7,500 million in the financial year 2023/24.

Investment property

This includes two investment properties located at Plot number 717/6, Mikocheni Area and Plot number 721, Block II, Simu Street. The value is based on the open market valuation done on the year ending 30 June 2024 by an independent valuer, Trace Associate Limited. The investment property has increased in value by TZS 1,253 million (6%) from TZS 21,945 million 2022/23 to TZS 23,198 million 2023/24.

Cash and bank balances

Cash and bank balances has decreased from TZS 23,352 million in the financial year 2022/23 to TZS 22,203 million in the year 2023/24. This is a decrease of TZS 1,149 million which is equivalent to 5% as compared to prior year.

Income tax recoverable

TTCL Corporation does not accrue any amount of tax in respect of Corporate Tax.

Prepaid indefeasible right of use (IRU)

Pre-paid IRU decreased by TZS 19,707 million which is 79% decrease as compared to the prior year. IRU has decreased from TZS 24,861 million in the financial year 2022/23 to TZS 5,154 million in the financial year 2023/24. The decrease is resulted from business combination with NICTBB whereby IRU Contracts with NICTBB were eliminated.

Accumulated losses

Accumulated loss has decreased from TZS 356,608 million 2022/23 to TZS 336,880 million 2023/24. The decrease in accumulated loss was caused by business combination with NICTBB and NIDC which brought to TTCL positive retained earnings of TZS 46,873 million.

Trade and other payable

Trade and other payable has decreased by TZS 26,845 million which is 8% decrease from the prior year. Trade and other payable has decreased from TZS 339,677 million in 2022/23 to TZS 312,832 million in 2023/24. The decrease is mainly caused by the business combination with NICTBB which resulted to offset intercompany transactions.

Deferred revenue

Deferred revenue has increased by TZS 30,287 million which is 81% from TZS 37,510 million in the financial year 2022/23 to TZS 67,797 million in the financial year 2023/24. The increase in deferred revenue is the result business combination with NICTBB whereby TTCL was able to sale of long term IRU's relating to NICTBB services.

Shareholders' Equity

TTCL shareholder's equity has increased from TZS 172,758 million from financial year 2022/23 to TZS 547,376 million financial year 2023/24. Shareholder's equity has increased due to Advance towards Share capital of NICTBB and NIDC to TTCL Corporation.

2.7.3 Enterprise Resource Management Suite (ERMS).

During the financial year the Corporation continued using an Enterprise Resource Management Suite (ERMS) developed by **e-Government Authority**.

2.7.4 Description of Budget Information.

The Corporation's final revenue budget for the financial year ended 30 June 2024 was TZS 272,000 million (30 June 2023: TZS 287,640 million) and the recognized revenues for the year was TZS 165,000 million (30 June 2023: TZS 149,288 million) which is TZS 107,000 million (30 June 2023: TZS 138,352 million) below the final budget, equivalent to under performance of 39% (30 June 2023: 48%). The targeted revenue was not reached because development projects that were planned to be implemented was not done due to

insufficient funds. Another reason for not reaching the targets was that, the Corporation was not in the position to finalize the expected term loan to facilitate development expenditures until the financial year 2023/24 ends.

The final approved recurrent expenditure budget of the Corporation for the financial year ended 30 June 2024 was TZS 187,000 million (30 June 2023: TZS 195,383 million) and the actual expenditure was TZS 194,605 million (30 June 2023: TZS 178,275 million, which was above the final budget by TZS 7,605 million - unfavorable (30 June 2023: TZS 17,108 million-favorable). The main reason for un-favorable results was due to significant increase in operating expenses due to business combination between TTCL Corporation, NICTBB and NIDC in the financial year 2023/24.

Source: TTCL Corporation Medium-term expenditure frameworks (MTEF): 2023/24.

2.8 RESOURCES:

The Corporation's key strengths which assist in the performance of its functions to achieve its objectives are pegged on a well-composed Board of Directors, effective Management, competent and experienced human resources, deployed ICT systems and documented internal operating procedures. These strengths continuously create value to the Corporation. In terms of resources, the Corporation has tangibles and intangibles resources, which include intellectual resources, human resources, social and relationship resources, financial resources and other resources as explained here under: -

(a) Intellectual Resources

The Corporation intellectual resources include ICT application systems which has automated and modernized operations, thus, improved provision of Telecommunications business operations. The Corporation's ICT Systems in operations include the following:

- i. Time Attendance (Biometric) System.
- ii. Enterprise Resources Management Suite (ERMS)
- iii. Government Asset Management Information System (GAMIS)
- iv. E-Office Management System
- v. CVBS Billing System

(b) Human Resources

The Corporation has skilled, ethical, committed, motivated and competent employees dedicated to the provision of quality services that meet and exceed customers' expectations. Management adheres to the principles of good governance and promotes good working environment and labour relations. In addition, the Corporation has continually invested on human resource development focusing on training, staff wellness, staff recognition, competitive remuneration and career growth. TTCL has offices in both Tanzania and Zanzibar with total employees 1,129 (30 June 2023: 1,213 employees).

(c) Social and Relationship Resources

The Corporation maintains ethical and transparent relationship with its internal and external stakeholders by establishing processes which ensure stakeholders' views are timely collected and addressed.

(d) Financial Resources

The Corporation enhances its financial sufficiency by improving management of its resources through prioritization of initiatives, implementing initiatives within the available financial resources to generate adequate revenue for timely implementation of planned activities. The Corporation Sources of finance is derived from internal generated revenue.

Financial Resource mobilization for the next 4 years depends on;

- i. 100% collection of internally generated revenue as per annual projections;
- ii. Re-capitalization funds from the Government in the form of Capital injection or concession loan to the tune of TZS 2.15 trillion; and
- iii. Using the available credit facility in the form of bank guarantee and short-term loan from TIB Development Bank, NMB Bank plc and TCB Bank.

(e) Other Resources.

In the discharge of its functions, the Corporation is guided by the Tanzania Telecommunications Corporation Act Number 12 of 2017 and their respective Regulations, staff rules and regulations and financial regulations.

2.9 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

The Board of Directors accepts final responsibility for the risk management and internal control systems of the Corporation and its subsidiary. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the Corporation's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance with such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Corporation's systems are designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Board assessed the internal control systems throughout the period and is of the opinion that they met acceptable criteria. The Board carries out risk and internal control assessment through the Audit Committee.

The Board assesses the risks on regular basis and ensure that potential risks are clearly identified and managed at all levels within the Corporation. The risks are assessed from the level of strategy setting to the day-to-day operational activities of the Corporation.

(a) Principal Risks

Potential risks that may affect attainment of long-term objectives include among others the following categories:

i. Political Risks.

Changes in Country's Policies and Regulations. This assumes both domestic and international conditions within the prevailing political, economic and social spheres that support business operations;

ii. Financial Risks.

This is based on foreign exchange fluctuation because the Corporation is always importing telecom equipment's from abroad. Another area with risk in financial is the Liquidity risks due to untimely collection of debts from generated revenue.

iii. Operational Risks.

These risks consist of the number of issues such as: Inability to recover services after disaster occurrence; Change in Technology; Revenue Leakage, Fraud; Infrastructure Losses/Vandalism; Safety & Security, Customer churning & Employee Resistance to Change; and

iv. Strategic Risks.

These risks consist of issues such as: Increased Competition in Telecom Services; Failure to Implement Plan and Achieve Goals.

(b) Opportunities

- i. Availability of skilled and experienced human resources from the labour market.
- ii. Low broadband penetration in the market;
- iii. Cross border trade with landlocked countries;
- iv. Growing Demand of large bandwidth applications;
- v. Potential for fixed broadband growth;
- vi. Availability of financial institutions to provide credit facility.

(c) Assumptions on Risks, Uncertainties and Opportunities

The Corporation is mindful of the following assumptions during assessments of the risks, uncertainties and opportunities:

- i. Macro- economic factors or conditions like Inflation, Interest rates, Gross Domestic Product (GDP), per capital income, economic growth rate, and terms of international trade exchange rate will continue to perform well and remain fairly stable;
- ii. Political environment will remain stable and political support to the Telecommunications sector during the implementation of the Corporation's functions;
- iii. Stable and predictable regulatory environment like Policies, Laws and Regulations will exist during the implementation of TTCL Corporation functions;
- iv. Competent, experienced, skilled and motivated staff will be available during the Strategic Plan implementation period;
- v. Availability of sufficient financial and physical resources like Governmental Financial Supports, buildings, working tools for the implementation of the Corporate Strategic Plan.

2.10 STAKEHOLDERS' RELATIONSHIP

The Corporation believes that the stakeholders are what make its existence. In this regard, the Corporation has identified different categories of stakeholders; the Government, employees, regulated service providers, business partners, society and regulators and policy-makers. Before making its decisions, the Board considers the interests of all stakeholders and ensures that engagement with stakeholders is deliberate and planned and that communication is always transparent and effective. Several measures have been taken to institute a responsible behavior to employees of the Corporation's and other stakeholders. These measures include, but are not limited to, holding interactive stakeholders' meetings or engagements, staff meetings, seminars and workshops; provide education through media and improving customer services at our offices throughout the country. The table below shows Stakeholders, concerns and value we create.

Table 2: TTCL Corporation Stakeholders' Relationship

Stakeholders	Their Interests / Concerns	Value we create
Government	 Increase of the revenue. Attainment of at least 5% Return on Investment. Payment of appropriate Taxes on time. Improve organizational performance. Create more employments to citizens. Contribution and Statutory Deductions. Timely information. Provision of Telecommunications services across United Republic of Tanzania at affordable costs. 	 Sound policies and procedures. Compliance to statutory requirements. Timely payment of taxes. Create more employments to citizens Continuous expansion of Telecommunications Network across Tanzania.
Suppliers	 Transparent and fair procurement process of goods and services. Receiving feedback on delivered goods and rendered services. Timely settlement of suppliers' invoices. 	 Effective use of online procurement system (NeST); Inclusion of fair terms and proper vetting of procurement contracts. Settlement of suppliers' invoices on time.

Stakeholders	Their Interests / Concerns	Value we create
Customers	 Timely delivery of excellent service to customers and ensure confidentiality of customers' business data and information. Ensure good customer cares to customers. Efficient after sell services. Innovate new products and services according to customer's needs and wants. 	 Complaints Handling through Customer care department. Providing excellent services to meet customers' expectations; Monitoring changes in customer requirements, technologies and continuously improving customer experience by developing innovative solution that comply with industrial standards. Providing periodic customers' statements on settled and outstanding liabilities. Engaging customers through consultative meetings for education and advisory matters.
Employees	 Employees expect friendly, safe and conducive working environment defined career progression, better salary and benefits, motivation and recognition. Opportunities to contribute to the society. Sustainability of the organization. Career development strategies 	 Transforming into an inclusive society trough employment equity and gender equality. We focus on developing our employee through targeted training programs and skills upgrading to further their career and improve our services. Rewarding employees for the value they add. Motivating and energizing our work force. Timely payments of employees' entitlements. Improve organizational performance to ensure going concern of the Corporation.
Society	 Supporting social development programs organized by communities for socioeconomic development where TTCL has offices. Awareness on TTCL business functions and applicable legislation. Compliance with environmental, social and governance matters. 	 Supporting social community programs using Corporate Social Responsibility programs. Providing awareness on TTCL business functions and environmental protection. Undertake Environmental and Social Impact Assessments periodically.
General Public	Quality Services.	 Improved coverage and quality of Services.
Investors	 Timely and accurate information. Timely and reliable Telecommunications services. Transparency on services offered. Improvement of Organizational performance. 	 Provision of information on investment opportunities available. Provision of high-quality Telecom services. Provision of information on the performance of the company. Ensure required Return on Investment is attained all the time.

Stakeholders	Their Interests / Concerns	Value we create		
Parliamentary Committees	 Accurate and timely information and reports. Ensuring compliance with all relevant legal and regulatory requirements. Adhere to different National policies Implementation of Ruling party Election Manifesto. Accurate and timely response to questions and answers. 	 Provision of reliable information and reports regarding Corporation performance. Ruling party manifesto implementation report. Comply with all directives given by Parliamentary committees. 		

2.11 CAPITAL STRUCTURE AND TREASURY POLICIES

i. Capital Structure

The shareholding structure of the Corporation before the Government handed over the Strategic infrastructures (NICTBB & NIDC) to TTCL is shown in the table below:

Table 3: Capital Structure

Name of shareholder	2023/24	% Age	2022/23	Shares	% Age
	No. of Shares	Share Holding	No. of Shares	paid up TZS mill	Share Holding
Government of the United Republic of Tanzania	370,464,999	100%	370,464,999	370,465	100%
Treasury Registrar	1	-	1	- 2	
Total	370,465,000	100%	370,465,000	370,465	100%

NB: No director had interest in the shareholding of the Corporation

ii. Business combination.

During the financial year 2023/24, TTCL has taken into consideration the impact of combining the Advance towards Share capital of The National Information and Communications Technology Broadband Backbone (NICTBB) and National Internet Data Centre (NIDC). Below is the extract summary from statement of financial position (Assets, Liabilities and Equity part) as at 30 June 2024.

Table 4: Extract of Statement of Financial Position as at June 2024.

	Consolidated		Separate	
	2024	2023	2024	2023
	TZS" mil	TZS" mil	TZS" mil	TZS" mil
Non-current assets	949,566	405,304	954,800	409,678
Current assets TOTAL ASSETS	121,935 1,071,501	189,611 594,915	119,445 1,074,245	187,259 596,937

Non-current liabilities	68,499	40,911	68,499	40,911
Current liabilities	455,626	381,246	454,939	381,232
TOTAL LIABILITIES	524,125	422,157	523,438	422,143
EQUITY	547,376	172,758	550,807	174,794
TOTAL EQUITY AND LIABILITIES	1,071,501	594,915	1,074,245	596,937

iii. Treasury Policies and Objectives

TTCL Corporation treasury policies involve mechanisms established by the board, which delegates financial decisions to Management in a controlled manner. The control instruments in place include legislation (i.e., Public Finance Act, Government Circulars (Treasury circulars and Accountant General Circulars), Guidelines (TTCL Financial Regulations 2020).

3.0 CASH FLOWS

The Corporation's cash flows can be analyzed from the cash flows statement under three areas; cash flows from operating activities, cash flows from investing activities and cash flows from financing activities. It should be noted that cash flow analysis does not consider any growth in the cash flow statement because the cash flow statement always shows what happened in the past. Therefore, the Corporation's cash flows analysis is summarized below:

(a) Cash Flows from Operating Activities.

The net cash inflows from operating activities of TZS 2,857 million (June 2023: cash inflow of TZS 9,231 million), was derived as the difference between cash receipts amounting to TZS 184,034 million (June 2023: TZS 117,519 million) and payments amounting to TZS 181,177 million (June 2023: TZS 108,288 million).

(b) Cash Flows from Financing Activities.

The net cash inflows from financing activities of TZS 93,560 million (June 2023: TZS 4,510 million) was derived mainly from Government Grants and Additional Capital from the Government.

(c) Cash Flows from Investing Activities.

The net cash outflows from investing activities of TZS 111,040 million (June 2023: cash outflow of TZS 34,721 million), was derived from cash capital expenditures including acquisition of property, plant and equipment and acquisition of intangible assets.

2.12 LIQUIDITY

During the financial year ended 30 June 2024, The Corporation current ratio which measures the ability of current assets to meet short term obligations (current liabilities) was 0.3:1 (June 2023: 0.5:1). The current ratio of the Corporation reveals that there are liquidity challenges during financial year 2023/24. The Corporation is continuing with significant efforts to ensure liquidity position is improved to meet its liabilities when due, without incurring unacceptable losses to the Corporation's reputation.

2.13 KEY PERFORMANCE INDICATORS

Below are the KPIs to which the new developments, operations, performance and financial position of the business of the entity can be measured effectively. They are quantified measurements that reflect the critical success factors of the Corporation and disclose progress towards achieving a particular objective(s).

Table 5: Key Performance Indicator Matrix

Objective	Key Performance Indicators (KPIs)	Achievement
	Number of active households and buildings connected with Broadband	Very Good
	Number of new lessees to the colocation facilities	Average
	Percentage of capacity utilization (back-hauling/IPT) at border POP	Good
	Number of TTCL subsidiaries in land locked countries	No Achievement
Expanded commercial	Number of new active fibre connections to government institutions, private institutions & corporates	Very Good
undertaking	Number of active public access points providing services to the general public	Good
	Percentage of mobile Market share	Low
	Percentage of fixed market Share	High
	Customer Churn rate	Average
	Average Mobile Subscriber Acquisition cost	Average
	Average revenue per user	Good
	Number of fibre-connected to buildings and sites	Very Good
Improved public	Percentage of network availability	Very Good
access to communication services	Population covered	Very Good
	Number of 4G/4.5G/5G sites deployed	Good
261 AICE2	Capacity utilization	Very Good
	Return on Capital Employed	Average
	Net profit margin	Not Good
	Current ratio	Average
	Age of Accounts Receivable	Average
	Age of Accounts Payable	Average
Improved financial	Amount of Fund mobilized for investment (USD)	Not Good
management	Network operating cost	Average
	Revenue growth rate	Average
	Total debt to Total Asset	Good
	Financial Pay-outs	Average
	Retained collection	Average
	Cost recovery ratio	Average
	Average Abandonment Rate (Callers who hang up before reaching an agent)	Good
Improved customer	Average response time in serving customers	Very Good
Management	Customer effort score	Good
	Percentage of customer complaints resolved on-time	Good

Objective	Key Performance Indicators (KPIs)	Achievement
	Number of internal processes, guidelines, manuals, circulars and policies reviewed and automated.	Very Good
	Percentage of Risks identified with valid mitigation	Very Good
	Employee Productivity rate	Average
	Number of employees participating in training & average training hours for employee	Good
	Rate of Employees with Performance Assessment scores 3 to 1	Good
	Percentage of Employee retention rate	Very Good
	Grievance resolved	Very Good
	Diversity index promoted gender	Very Good
Improved internal process	Disability	Good
	Perception of staff on the quality of HIV&AIDS and NCDs programs	Low
	Number of new reported HIV&AIDS incidences	Low
	Percentage staff LHIV provided with care and support	High
	Number of employees with NCDs	Low
	Corruption incidences Rate	Low
	Number of vandalism incidences	Average
	Fraud cases rate	Low
	Corruption likelihood rate as per PPRA	Low
	Value for money rate as per PPRA	Very Good
	International tendering Cycle time rate	Good
	Local tendering Cycle time rate	Good
	Internal Audit opinion	Good
	Internal Audit findings resolved by the deadline	Very Good
	Number of non-compliance incidents	Low
	Percentage of cases solved successfully	Very Good

2.14 CORPORATE GOVERNANCE MATTERS

2.14.1 Corporate Governance Statement

Corporate Governance is the backbone to any entity's strategy and success as it provides a framework within which corporate objectives are set and performance is monitored. Good corporate governance is critical in the public sector entities, and the Corporation in particular, because with good corporate governance, the institutional risks that would lead to failure of the Corporation to perform its functions on Telecommunication sector and its exclusive mandate in Telecom business are mitigated. The Corporation is committed to the principles of good corporate governance. The Board recognizes the importance of integrity, transparency and accountability. In addition, the Board has an overall responsibility for identifying key risk areas, considering and monitoring investment decisions, significant financial matters and reviewing performance of the Corporation's plans and budgets. Furthermore, the Board is also responsible for ensuring that a comprehensive system of internal control and procedures is operative in compliance with sound corporate governance principles.

Therefore, during the financial year, the Corporation complied with all aspects of good corporate governance principles which include Board operations and control; rights of the Government and general public; stakeholder relations; ethics and social responsibility; accountability, risk management and internal control; and transparency and disclosure. These are briefly explained below:

2.14.2 Membership of Those Charged with Governance

The Board of Directors, which consists of the Chairman and six other members, is established under Tanzania Telecommunications Corporation Act Number 12 of 2017. The Board Chairman was appointed by the Hon. President of the URT and Board Members were appointed by the Minister for Communication and Information Technology. The Director General is the Secretary of the Board of Directors.

Table 6: Board Members for financial year ending June 2024.

S/N	Name	Position	Age	Qualification	Nationality	Date of Appointment/Term inated
1	Mrs. Zuhura Sinare Muro	Board Chairpers on	63	Bachelor of Arts & Social Sciences	Tanzanian	28.01.2022 for three years
2	Brig.Gen. Method Kamugisha Matunda	Director	57	Bsc. Gen. (Math & Statistics)	Tanzanian	01.11.2022 for three years
3	Mr. Onorius John Njole	Director	48	Master of Laws (LLM)	Tanzanian	21.09.2020 for three years
4	CPA. Richard Malulu Mayongela	Director	42	MBA (Finance) & CPA (T)	Tanzanian	01.02.2021 for three years
5	Mr. Rajab Uweje Yakoub	Director	55	MPA - Human Resources Management	Tanzanian	21.09.2020 for three years
6	Mr. Nkoba Eliezer Mabula	Director	43	Master of Cyber Security and Forensic Investigation	Tanzanian	01.02.2021 for three years
7	Ms. Mtumwa Said Sandal	Director	39	Master of Laws (LLM)	Tanzanian	03.03.2023 for three years

Note: Board tenure for CPA. Richard Malulu Mayongela and Mr. Nkoba Eliezer Mabula ended on 30th January 2024.

The President of United Republic of Tanzania Hon.Dr Samia Suluhu Hassan has appointed CPA David Nchimbi as a Board Chairman and CPA Moremi Marwa as a Director General of TTCL before signing of this report. In addition to that, Hon. Jerry Slaa - the Minister responsible for communication has appointed new Board Members.

2.14.3 Board Operations and Control

The principle on appointment, composition, size and qualifications of Board members was observed by the appointing authorities; the President of the United Republic of Tanzania (URT) on appointment of the Board Chairman, and the Minister for Communication and Information Technology on appointment of Board Members. These principles were observed as follows:

(a) Diversity

The Board is composed of members of different qualifications with diversity of strength and knowledge of the Telecommunications sector. Diversity is observed through

differentiation in the age of Directors, their gender, professional qualifications and previous experiences. In addition, members appointed from the public and private sectors. As well, they are members of professional bodies.

(b) Structure of the Board

To ensure effectiveness and value addition to the Corporation, the Board has a maximum of seven (7) members including the Chairman. The Board has three (3) established Committees including Audit Committee (AC), Budget and Investment Committee (BIC) and Human Resources and Administration Committee (HRAC). The Board and its Committees have Charters which provide terms of reference and guidance on undertaking their oversight role. Thus, the Board ensures that its Committees are appropriately constituted with members who have the necessary skills and expertise to handle the responsibilities allocated to them.

(c) The Functions of the Board

As per Section 8 of Tanzania Telecommunications Corporation Act Number 12 of 2017. The main function of the Board is to oversee and supervise the management in the performance of the functions of the Corporation by;

- (i) Conducting managerial oversight and review the activities and performance of management of the Corporation;
- (ii) Approval of the annual budget, investment plans and declaration of dividend through the Corporation's dividend policy.
- (iii) Recommends to Treasury Registrar the approval of Corporation's financial regulations and organizational structure.
- (iv) Recommends to the Minister responsible for Communications policies relating to the construction of new telecommunications' infrastructures.
- (v) Monitoring investment decisions, considering significant financial issues and decisions, reviewing and monitoring the Corporation financial performance and position including implementation of Strategic plans, Business Plans and Budgets and operation manuals.
- (vi) Providing strategic guidance and formulate policies for operation and management of the Corporation;
- (vii) Evaluating the performance of the entire management team and take necessary measures;
- (viii) Approving management reports on quarterly basis;

(d) Enhancing Accountability of the Board to the Government and the General Public

To enhance accountability to the Government and the public at large, the Corporation has ensured that:

- It has distinguished the roles reserved for the Board and those delegated to the Management of the Corporation.
- The functions of the Board Chairman and the Director General of the Corporation are not exercised by the same individual.
- The Board Chairman is a non-executive director.
- The Director General is the Secretary to the Board assisted by a qualified and competent officer of good standing from the Legal Services.
- The Corporation's strategies are sustainable;
- The Corporation has clearly identified the Board's fiduciary duties; and
- It has established a Conflict-of-Interest Policy where during every Board or Committees meetings, there is an agenda for declaration of conflict of interest by participants.

(e) The Board Independence

The Corporation assesses the independence of Board members on an annual basis, to ensure that the Board always benefits from independent and objective judgment.

(f) Governance on Audit

The Board continues to oversee Management implementation of the Controller and Auditor General's recommendations made during the statutory audits. In addition, the Board continues to oversee Management implementation of recommendations made by the Office of the Treasury Registrar.

(g) Rights of the Government and the General Public

The Corporation recognizes, respects and protects the rights of the Government and the general public through:

- Availing information on the Corporation's performance by submission of quarterly
 performance reports to relevant Government authorities and publishing annual
 reports together with audited financial statements for public use.
- Ensuring equitable treatment of all regulated service providers and customers in discharging the Corporation functions.
- Ensuring that Government, Ministries and Agencies hold meetings with the Corporation's Management, when required, to discuss any matter related to the Corporation's performance or service delivery; and
- Engaging the media on dissemination of important Corporation's information.

(h) Stakeholder Relations

The Board has identified different categories of stakeholders; the Government, employees, regulated service providers, Telecommunications business customers, suppliers, business partners, society and regulators and policy-makers. Before making its decisions, the Board takes the interests of all stakeholders into account to ensure that engagement with stakeholders is deliberate and planned. Furthermore, the Board wishes to ensure that communication with stakeholders is always transparent and effective.

(i) Ethics and Social Responsibility

The Board has identified the following four ethical values, which underpin good corporate governance, to guide all its deliberations, decisions and actions:

- **Responsibility:** The Board assumes responsibility for the assets and actions of the Corporation and is willing to take corrective actions to keep the Corporation on a strategic path that is ethical and sustainable.
- Accountability: The Board justifies its decisions and actions to the Government and other stakeholders.
- Fairness: The Board ensures that it considers the legitimate interests and expectations of all stakeholders.
- Transparency: The Board discloses information in a manner that enables stakeholders to make an informed analysis of the Corporation's performance and sustainability.

(j) Risk Management, Internal Control and Accountability

The Corporation is committed to ensure existence of a continuous process of risk management and internal controls which ensures business continuity on service delivery so as to achieve the strategic goals while managing the risks. An overall policy framework on risk and internal control has been developed, which includes the institutional Risk Management Framework and Policy with its related processes, guidance and tools. The Corporation is committed to identifying and managing risks to its work plans and defining and implementing efficient and effective internal controls, to strengthen its ability to meet objectives and deliver benefits and goals expected by its regulated service providers, customers and all stakeholders.

Good risk management identifies the potential events which could affect the achievement of goals and develops action plans for addressing these risks allowing informed decision making, better prioritization and improved use of resources. The Corporation's approach to risk management does not aim to eliminate or avoid risk but to be aware of it, reducing risk to an acceptable level and balancing risks and opportunities when deciding on a course of action.

The established risk management process includes the implementation of regularly updated risk analysis and mitigation plans at all levels of the Corporation, both at head office and upcountry offices. The purpose is both, to create a tool for internal management of each Directorate, Unit or Section so as to provide information to the Corporation's Management on key risks identified and how these are managed. In addition to this bottom-up review of risks, the Corporation has integrated risk management in its corporate strategic planning and results-based management processes. Every staff of the Corporation has an important role in risk management process and controls as part of their work. In particular, all Directors, Heads of Unit and Managers are accountable for identifying and managing risks and overseeing definition and implementation of internal controls, policies and procedures within the area under their authority, including management of issues which arise.

(k) Transparency and Disclosure

- Policy on ICT: The Board has developed various ICT policies, so as to enable the
 Corporation to realize its digitization agenda. The policies provide in-depth
 coverage and guidance on ICT- related matters such as: business continuity plan
 (BCP)/disaster recovery plan (DRP), Service Level Agreement (SLA) management,
 project management, server room management, business partnerships, database
 procedures, incident management, invoice processing, Revenue Assurance (RA),
 quality assurance, security procedures and software design, development and
 testing.
- Policy on Procurement: The Corporation developed the Draft Procurement Policy in line with the Public Procurement Act, Cap 410 and its Regulations as amended, so as to: -
 - Promote best practices, transparency and professionalism in all acquisition processes within the Corporation;
 - Ensure that suppliers of goods and services are subjected to a competitive tendering process in order to achieve quality, price competitiveness and reliability;
 - Ensure that all expenditures are incurred in accordance with the approved plan and budget and the annual procurement plan (APP); and
 - o Ensure compliance with applicable regulations and Legislation.
- Policy on Environmental Protection: Environmental protection is a social and economic necessity and an integral component of sustainable development. Similarly, sustainable development is the central concept on environmental policy. Sustainable development means achieving a quality of life that can be maintained for many generations because it is socially desirable, economically viable and environmentally sustainable. The Corporation is committed to support the Government to ensure sustainable development is made through short, medium and long-term social and economic growth.

2.14.4 Meetings of Those Charged with Governance

The Secretary to the Board as per S.15 (2) (d) of the Tanzania Telecommunications Corporation Act no.12 of 2017 for the financial year ended 30 June 2024 is Eng. Peter R. Ulanga who is also the Director General of the Corporation. However, CPA Moremi Marwa was appointed as Director General and Secretary to the Board before signing of this report.

During the financial year 2023/24, the Board conducted Four (4) ordinary Board meetings and Five (5) special Board meetings. Several issues were discussed by the Board, the following were key issues discussed during the financial year ended 30 June 2024;

- a) Quarterly Financial Performance Reports;
- b) TTCL Corporation's Business plan and Budget;
- c) Quarterly Audit Committee reports;
- d) Quarterly Budget and Investment Committee reports;
- e) Quarterly Human Resources and Administration Committee reports

2.14.5 Committees of Those Charged with Governance

To ensure a high standard of corporate governance throughout the Corporation, TTCL Corporation Board has formulated three (3) committees of the Board in compliance with section 11 of the Tanzania Telecommunications Corporation Act No.12 of 2017, these are: - Audit Committee, Human Resources and Administration Committee, Budget and Investment Committee.

a) Audit Committee (AC)

The Audit Committee comprises of two Board Members and one co-opted member appointed by the Board as per paragraph 5 of Schedule made under S. 7 (6) of the Tanzania Telecommunications Corporations Act No. 12 of 2017. A Board member, who is not the Chairperson of the Board, chairs the Audit Committee. At least one member of the Audit Committee (AC) must have relevant experience in financial matters. SMT members such as the Director General (DG), Director of Finance (DF), Director of Technical and Operations (DTO), Director of Commercial (DC), Chief Internal Auditor (CIA), Director of Legal Services (DLS), Director of Human Resources and Administration (DHRA), and the external auditors are invitees to attend some of the AC meeting proceedings.

The main responsibility of the Audit Committee is to review and manage the overall risk of the Corporation. Furthermore, the Audit Committee is required to monitor and review the integrity of the financial statements of the Corporation including annual and interim reports. In addition, the Audit Committee reviews and monitors the Corporation's compliance with risk management policies and procedures to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis. This contributes to a risk assessment process performed by management which is shared with the Board on an ongoing basis.

In the financial year ended 30 June 2024, the AC conducted four (4) ordinary meetings and eight (8) special meetings. Several issues were discussed during the financial year ended 30 June 2024 such as follows;

- i. Internal Audit Annual Plan;
- ii. Internal Audit Activities reports;
- iii. Quality and Risk Management reports;
- iv. Safety and Security Activities reports
- v. Review of financial statements and appointment of External Auditors; and
- vi. Implementation of Management letter.

The following were the members of the Committee for the financial year ended 30 June 2024.

Table 7: Members of the Committee (AC).

S/N	Name	Position	Qualification	Nationality
1	Mr. Onorius John Njole	Chairperson	LLM	Tanzanian
2	Mr. Rajab Uweje Yakoub	Director	MPA - Human Resources Management	Tanzanian
3	CPA Machage Kisyeri	Co-opted Member	MBA - CPA (T)	Tanzanian

Note: CPA. Richard Malulu Mayongela and Dr. Mwamini Tulli tunure to the Audit Committee ended on 30 January 2024 and were replaced by Mr. Rajab Uweje Yakoub and Mr. Machage Kisyeri.

b) Human Resources and Administration Committee (HRAC).

The main responsibility of this committee is to support the Board in carrying out its oversight roles relating to Human Resources and Administration matters in the Corporation. The standing agendas of the committee are the followings:

- i. Human Resources and Administration performance reports,
- ii. Legal, Regulatory and Cases updates,
- iii. Public Relations & Corporate Social Responsibility.

The following were the members of the Committee for the financial year ended 30 June 2024.

Table 8: Members of the Committee (HRAC).

S/N	Name	Position	Qualification	Nationality
1.	Mr. Rajab Uweje Yakoub	Chairperson	MPA - Human Resources Management	Tanzanian
2.	Mr. Onorius John Njole	Director	LLM	Tanzanian
3.	Ms. Mtumwa Said Sandal	Director	Master of Laws (LLM)	Tanzanian

Note: Ms. Agatha Keenja was replaced by Ms. Mtumwa Said Sandal in January 2024.

The HRAC reports to the Board of Directors of TTCL Corporation. During the financial year 2023/24, the Committee conducted Four (4) ordinary meeting to discuss various issues pertaining to Human resources and Administration.

c) Budget and Investment Committee (BIC)

The BIC deals with all matters relating to budget and investment in the Corporation. It is responsible for reviewing all budget and investment issues and then recommend to the Board for approval. The meetings included discussion of annual budget of the Corporation, implementation of various investment projects such as UCSAF and other projects. Among other issues the standing agendas for discussion during the committee meetings are;

- i. Investment projects reports,
- ii. Budget (Medium Term Expenditure Framework) implementation reports,
- iii. Request for approval of TTCL guidelines.

The following were the members of the BIC for the financial year ended 30 June 2024.

Table 9: Members of the Committee (BIC).

S/N	Name	Position	Qualification	Nationality
1,	Brig.Gen. Method Kamugisha Matunda	Chairperson	Bsc.Gen. (Math & Statistics)	Tanzanian
2.	Ms. Mtumwa Said Sandal	Member	Master of Laws (LLM)	Tanzanian
3.	Mr. Senzige Kisenge	Co - opted Member	MSc. Communication and Signal processing (Dist.)	Tanzanian

Note: Mr.Nkoba Eliezer Mabula tenure at Budget and Investment Committee ended in 30th January 2024 and was replaced by Mr. Senzige Kisenge.

The Committee conducted four (4) ordinary meetings and One (1) special meeting during the financial year 2023/24 to discuss issues pertaining to budget and investments.

2.15 MANAGEMENT

Management of TTCL Corporation is under the Director General (DG) who is appointed under section 14 of the Tanzania Telecommunications Corporation Act of 2017. DG reports to the Board of Directors and assisted by Senior Management Team (SMT) which comprises Directors and Chief Internal Auditor. The DG is also assisted by Unit Managers who report direct to the office of Director General. The operations have been divided into the following business units;

- (a) Directorate of Commercial.
- (b) Directorate of Finance.
- (c) Directorate of Technical and operations.
- (d) Directorate of Human Resources and Administration.
- (e) Procurement and Supplies Unit.
- (f) Internal Audit Unit.
- (g) Risk and Quality Management Unit.
- (h) Safety & Security Management Unit
- (i) Strategic Planning and Business Management Unit.

- (j) Legal service Unit.
- (k) Public Relation Unit
- (l) Management of Government Infrastructures Unit

TTCL Management for the financial year ended 30 June 2024 included Director General - Eng. Peter R. Ulanga (53) joined the Corporation in 2022, Director of Finance - CPA Kezia Katamboi (51) joined the Corporation in 2017, Director of Technical and Operations - Eng. Cecil Francis (51) joined the Corporation in 2003, Director of Commercial - Mr. Vedastus Mwita (40) joined the Corporation in 2017, Director of Human Resources and Administration - Mr. Alex Biziriko (46) joined the Corporation in 2006, Director of Legal Services - Mrs. Anita Moshi (48) joined the Corporation in 2007, Head of TTCL PESA LIMITED - Ms. Lulu Mkude (49) joined the Corporation in 2017 and Ag. Chief Internal Auditor - CPA. Octavian Barnabas (52) joined the Corporation in 2004.

2.16 APPOINTMENT OF AUDITOR

The Controller and Auditor-General (CAG) is the statutory auditor for the Group and Corporation financial statements pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977, Public Corporation Act of 1992 and Sections 30 - 33 of the Public Audit Act, Cap. 418. The National Audit Office of Tanzania has been audited the book of accounts of Tanzania Telecommunications Corporation and its subsidiary for the year ended 30 June 2024

Address of the Auditor for the financial year, is as below: Controller and Auditor General, National Audit Office, Audit House, 4 Mahakama Road, P.O. Box 950, 41101 Tambukareli, Dodoma, Tanzania. Tel: 255 (026) 2161200, Fax: 255 (026) 2321245,

E-mail: ocag@nao.go.tz Website: www.nao.go.tz

2.17 RESPONSIBILITY OF THE AUDITOR

The Controller and Auditor General (CAG) has a statutory responsibility to report to the stakeholders as to whether, in his opinion, the financial statements of the Corporation present fairly the financial position, financial performance and cash flows for the year ended in accordance with the International Financial Reporting Standards (IFRSs) and Tanzania Financial Reporting Standard (TFRS 1).

2.18 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

Those Charged with Governance accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements. Furthermore, Those Charged with Governance accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates. Therefore, Those Charged with Governance are of the opinion that the financial statements of the Corporation give a true and fair view of the Corporation's state of the financial affairs and of its operating results for the year ended 30 June 2024.

2.19 DONATIONS TO VARIOUS INSTITUTIONS

i. Political Donations

The Corporation did not make any political donations during the year ended 30 June 2024.

ii. Donations to charitable and other institutions

Donations were made as part of corporate social responsibility to institutions and charitable organizations to acknowledge the Corporation's responsibility to community social needs. During the financial year ended 30th June 2024 the Corporation spent TZS 241 million (30 June 2023: TZS 250 million) to support a number of social and economic development initiatives implemented throughout the country. The list of beneficiaries on corporate social responsibilities funds for the financial year 2023/24 is provided under Table below:

Table 10: Donations to charitable and other institutions

SN	INSTITUTIONS	AMOUNT (TZS)
1	ICT Commission Operation	69,567,830
2	Tanzania Mobile Network Operators Association (TAMNOA)	40,000,000
3	Equal Opportunities For All Trust Fund	20,000,000
4	Alaf Limited System	16,970,884
5	Ministry of Information, Culture, Arts and Sports	10,000,000
6	Tanzania Broadcasting Corporation (TBC)	10,000,000
7	The Office of Treasury Registrar	10,000,000
8	Tutavuka Foundation	7,000,000
9	Dada Hood Initiative Ngo	5,000,000
10	Tanzania Association Of Women Certified Accountants	5,000,000
11	Ministry of Agriculture	5,000,000
12	Ikupa Trust Fund	5,000,000
13	Community for Development of Youth and Children in Chakechake District, Pemba.	4,000,000
14	Amana Regional Referral Hospital	4,000,000
15	The Office of Regional Commissioner of Katavi	4,000,000
16	Busiya Secondary School	3,350,000
17	Public Sector Ceo'S Association	3,000,000
18	Sma Ikenda Foundation	3,000,000
19	Tanga Regional Sports Club	3,000,000
20	Ester Venance Mbanguka	2,059,000
21	Tanzania League Of The Blind	2,000,000
22	Tanzania Federation Of Disabled People Org Rufiji	2,000,000
23	Maendeleo Bank Ltd	2,000,000
24	IT Youth Union	2,000,000
25	The African Human Capital heads of state summit	2,000,000
26	United Projects for Deaf People in Tanzania	548,000
27	The Office of Regional Commissioner of Kigoma	500,000
	TOTAL	240,995,714

2.20 EMPLOYEES' WELFARE

a) Relationship between management and employees

There were continued good relations between employees and management during the period. There were no unresolved complaints received by management from the employees during the period. A healthy relationship continues to exist between management and the trade unions. There is no industrial unrest reported apart from disciplinary cases to employees engaged in unethical behaviour.

The Corporation is equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion and disability which does not impair ability to discharge duties.

During the financial year ended 30 June 2024, the Corporation recruited 17 new employees in order to fill the vacant positions which resulted from retirement, death, and termination.

Also, during the same financial year, 100 employees were ceased to be employees of the Corporation due to various reasons such as death, resignation, termination, transfer and retirement.

b) Training facilities

During the financial year 2023/24, the Corporation spent TZS 268 million as compared to TZS 122 million in the 2022/23 on staff training in order to improve employees' technical skills and performance. Training programs have been developed to ensure employees are adequately trained at different levels, and all employees have a specific annual training program to upgrade their skills and enhance development.

c) Medical assistance

The Corporation contribute 3% of employee's salary to the NHIF as medical expenses for each employee and his/her immediate family members while another 3% of employees' salary is contributed by employees themselves on monthly basis as per NHIF Act, 1999 and public service guidelines as issued from time to time by relevant authority. In addition to that the Corporation covers all medical costs which are not part of the NHIF program so that to ensure its employees obtain all health services as recommended by health professionals. During financial year 2023/24 TTCL engaged in supplementary scheme offered by NHIF to ensure employees are getting the best medical services. For the financial year 2023/24, the Corporation incurred TZS 2,573 million for medical expenditures under supplementary scheme as compared to TZS 907 million which was used in the previous financial year of 2022/23 under standard package.

The Corporation has continued to provide awareness programme on HIV/AIDS issues to reduce transmission of the disease among its employees. Also, the awareness programmes were conducted to employees about non-communicable diseases, the

Corporation insists its employees to change their lifestyle, doing regular physical exercises so that to avoid the risk of obtaining various non-communicable diseases.

d) Health and safety

The Corporation is committed to ensure health and safety and it ensures that a strong culture of safety prevails at all times. A safe working environment is ensured for all employees and contractors by providing adequate and proper personal protective equipment, training and supervision as necessary.

e) Financial assistance to staff

The Corporation has arrangements with local financial institutions whereby qualifying staff borrow according to the terms and conditions of such institutions. The Corporation ensures that the amount borrowed by employees is recovered through both monthly deductions and remittance of dues to the financial institutions or channeling of staff salaries to respective financial institutions. The Corporation ensures that the financial assistance which is provided to eligible employees by financial institutions does not affect 1/3 of monthly salary of specific employee. Also, in the financial year 2023/24 TTCL restored salary advance program to its employees to assist them on their financial difficulties.

f) Persons with disabilities

Through Public Service Recruitment Secretariat, applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Corporation continues and appropriate training is arranged. It is the policy of the Corporation that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees. Also, the Corporation contribute 0.5% of the gross salary of all employees based in Tanzania Mainland to the Workers Compensation Fund. The fund compensates employees when they get injured or death during normal working environment.

g) Union membership

Currently, there are four (4) registered Trade Unions in TTCL. They are:

- 1. Communication and Transport Workers Union of Tanzania COTWU (T);
- 2. Telecommunication Services Workers Union of Tanzania TEWUTA;
- 3. Telecommunication Services Workers Union of Zanzibar TEWUTA/Z; and
- 4. Communication and Transport Workers Union of Zanzibar COTWU (ZNZ).

However, the Corporation according to the laws recognizes one trade union that represents the majority employees as exclusive bargaining agent. The Communication and Transport Workers Union of Tanzania - COTWU (T) which is a leading union with the majority of members in TTCL. As at 30th June 2024, a total of 755 employees (66% of employees) were union members of which 601 were members of COTWU and 154 were members of TEWUTA. Managers are not represented in the collective bargaining process.

h) Employees Benefit plan

The Corporation pays contributions to publicly administered pension plans on mandatory basis which qualify to be defined contribution plans.

All employees of TTCL Corporation are members of Public Service Social Security Funds (PSSSF) except one employee who is a member of Zanzibar Social Security Funds (ZSSF). The Corporation contributes 15% monthly salary of each employee to PSSSF while employee is required to contribute 5% of his/her monthly salary. Also, the Corporation contributes 13% monthly salary for employee who is contributing to ZSSF while an employee contributes 7% of his monthly salary.

The Corporation also operates an unfunded non-contributory employee gratuity arrangement (the "Arrangement"), which provides a benefit equal to nine months' salary plus passage allowance for employees with 10 or more years' service on their retirement at the age of 60 years. As the Arrangement is unfunded, benefits are paid out of the Corporation's cash reserves.

2.21 DISABLED PERSONS AND GENDER BALANCE

(i) Disabled Persons

Through Public Service Recruitment Secretariat, applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Corporation continues and appropriate training is arranged. It is the policy of the Corporation that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees. Also, the Corporation contribute 0.5% of the gross salary of all employees based in Tanzania Mainland to the Workers Compensation Fund. The fund compensates employees when they get injured or death during normal working environment.

(ii) Gender Balance

In the year 2023/24, the Corporation had a total of 1,129 full-time employees while in the year 2022/23 employees were 1,213. During the year 2023/24, 1 (one) employee was on contract for specified periods mainly Managerial position. Employees in management positions represented 3.9% of the total employees at period-end, 43% were in officer cadre and 53.1% in lower operational roles and support positions.

As at 30 June 2024, the Corporation had the following distribution of employees by gender.

Table 11: Employees Gender.

Gender	2023/24	Gender	2022/23	Gender
		Percentage		Percentage
Male	675	60%	740	61%
Female	454	40%	473	39%
Total	1,129	100%	1,213	100%

2.22 MAJOR PROCUREMENT CONTRACTS

The Corporation had major procurement contracts with persons and other entities, which were essential to its operations during the financial year ended 30 June 2024. The list of the major procurement contracts of above TZS 50 million is summarized under Table below:

Table 12: Major Procurement Contracts for the year ending June 2023/24

S/N	NAME OF SUPPLIER	TENDER PARTICULARS	TENDER/ CONTRACT NO.	ESTIMATED BUDGET (TZS)	CONTRACT AMOUNT (TZS)
1	M/S DERM GROUP LTD	Execution works for NICTBB optical fiber installation works	TR226/2023/2024/W/21	5,525,000,000	5,510,007,261
2	POLES TANZANIA LIMITED	Supply of Treated Wooden Poles	TR226/2023/2024/G/670	4,999,980,000	5,974,163,000
3	WAVETEL TECHNOLOGY LIMITED	Supply of Point- to-Point Fiber Routers and Associated Accessories	TR226/2023/2024/G/36	3,343,500,000	3,121,869,184
4	M/S DARTCOM SA (PTY) LTD	Supply of Pole Line Accessories	TR226/2023/2024/G/660	2,983,633,500	2,503,916,111
5	CATS TANZANIA LIMITED	Supply of Internet Gateway	TR226/2023/2024/G/663	1,620,000,000	1,527,082,197
6	GEMIN INVESTMENT CO. LTD	Supply of Power and Cooling Systems Upgrade	TR226/2023/2024/G/587	1,300,000,000	1,200,000,000
7	NATIONAL INSURANCE CORPORATION	Provision of Insurance service	TR226/2023/2024/NC/42	996,000,000	664,119,252
8	M/S RADDY FIBER SOLUTION LTD	Supply of Optic Fiber Cable.	TR226/2023/2024/G/86	800,000,000	788,821,000
9	ABESHA INTERNATIONA L (T) LIMITED	Supply of fiber and accessories for external line plant	TR226/2023/2024/G/262	709,848,590	536,802,010
10	SOLUTION PLUS LIMITED	Supply of Power System Spare parts and servicing	TR226/2023/2024/G/703	361,038,000	294,600,000

11	HELSAK ENTERPRISES LIMITED	Supply and Installation of CCTV and Access Control System	TR226/2023/2024/G/18	300,000,000	238,106,000
12	GO ON INVESTMENT LIMITED	Supply of Fiber Cable accessories	TR226/2023/2024/G/248	296,517,000	90,322,000
13	CLIMATE AIR LIMITED	Supply of Air Conditioners systems and spare parts	TR226/2023/2024/G/244	294,500,000	258,838,921
14	M/S INVENTIONS TECHONOLOGI ES COMPANY LIMITED	Supply of Internet Exchange Point (IXP) at NIDC	TR226/2023/2024/G/665	270,000,000	179,043,633
15	TESCOM COMPANY LTD	Supply of Network Equipment and Accessories	TR226/2023/2024/G/82	200,000,000	193,678,300
16	DARTCOM SA (PTY) LIMITED	Supply of Optical fiber and accessories.	TR226/2023/2024/G/88	200,000,000	188,980,000
17	CATS TANZANIA LIMITED	Supply of POP at Teraco	TR226/2023/2024/G/666	199,992,000	120,489,564
18	FARMING CITY COMPANY	Supply of Food and Beverages	TR226/2023/2024/G/260	179,520,000	127,370,474
19	CHOICE COMPUTERS CO.LTD	Supply of IT Hardware Accessories and equipment	TR226/2023/2024/G/210	120,478,000	117,168,100
20	MOBASH INVESTMENT	Supply of Stationery and Office Supplies	TR226/2023/2024/G/24	120,000,000	37,299,500
21	M/S GUANGDONG ZHICHENG CHAMPION GROUP CO.LTD	Supply of Power System Spare parts and servicing	TR226/2023/2024/G/702	107,250,000	107,250,000
22	MOBASH INVESTMENT	Supply of Stationary and Office Supplies	TR226/2023/2024/G/24	69,740,000	37,299,500
23	CHAN ENTERPRISES	Supply of Spare parts for TTCL Fleet	TR226/2023/2024/G/693	59,000,000	50,763,000
	TOTAL		,	25,055,997,090	23,867,989,008

2.23 PREJUDUCIAL ISSUES

The prejudicial issues at the end of the financial year June 2024 is summarized under the Table below: -

Table 13: List of Cases.

S/N	NAME OF THE OTHER PARTY	CASE NUMBER	CASE STATUS
1	FIDELIS MSAMILA	478/2020: High Court of Tanzania, Labour Division, Dar Es Salaam.	Complainants are 151 employees of the Corporation who filed a suit against TTCL claiming that TTCL Management have abrogated some of their entitlements such as salaries and training. The case was decided in favour of TTCL and the Msamila Appealed to the Court of Appeal of Tanzania. The case is still pending.
2	JUSTUS TIHAIRWA	Miscellaneous Application No. 368 of 2022, High Court of Tanzania, Labour Division, Dar Es salaam.	The employee was terminated for insubordination and the case was decided in his favour at CMA.
3	REDIO KIJA	Revision No. 62 of 2015, High Court of Tanzania at Iringa Registry.	The employee was terminated when his contract for employment expired, the employer opt not to renew the same. The case was partly decided in favour of TTCL at the High Court Labour Division, Iringa. The Employee appealed to the Court of Appeal of Tanzania.
4	ALPHONCE IVO JUMBE	Civil Appeal No. 93/2015, High Court of Tanzania, Dar Es Salaam Sub registry.	The employee was terminated from employment under the old labour laws, the Corporation appealed to the Minister responsible for labour and the same was struck out by the Minister as he confirmed that the employee be terminated unfairly.
5	NICODEMUS GURAID SEMU	Civil Appeal No 186 of 2018. Court of Appeal of Tanzania, Dar es Salaam.	The Plaintiff filed a suit to the High Court of Tanzania claiming that TTCL trespassed in his Land located in Mwanga area where TTCL had erected its telecommunication towers. The Claimant was awarded TSH 100 Mil of which TTCL now contests at the High Court.
6	TILISHO SECURITY GROUP CO. LTD	Civil Case No 227 of 2013. High Court of Tanzania, District Registry.	Tilisho Security was awarded a security contract in TTCL premised in Zanzibar in the July 2010. The supplier stated to perform the terms of the contract from July 2010; In December 2010 Zanzibar Revenue Board (ZRB) informed TTCL that Tilisho Security is not registered as a tax

			payer in Zanzibar so TTCL should act accordingly.
7	DAVID MWAKATIKA	Labour Revision No. 157 of 2020. High Court of Tanzania Labour Division, Dar es Salaam.	The employee filed a claim at CMA after the employer decided not to renew his employment contract after its expiration.
8	Mount Meru University	No. 25/2021.High Court Arusha.	TTCL filed a suit against the University for payment of rent Areas. The matter was decided in favour of TTCL.
9	STANLEY S. MWABULAMBO	Civil Case No.63 of 2014, High Court of Tanzania, Dar es Salaam Registry	The complainant filled a civil case at High Court claiming for compensation following the unlawful detention which resulted to injuries to the complainant's reputation and curtaining of his freedom.
10	HOZA SHEHOZA HOZA	Application No 17 of 2024, District land and Housing Tribunal At Korogwe District.	The applicant is trying to execute the Decree of the Court against Millicom Tanzania PLC and Msamaka Village Council. TTCL is a necessary party to the case.
11	AMBORSE K.V. OKODE	CMA/DSM/ILA/R.830/13/22/19/22	The employee was terminated by the employer for occasioning loss in the year 1999 at his place of work in Tabora.
12	BONIFANCE MJENGWA and 13 others	Misc Application No 222 of 2023, High court labour Division, Dar Es Salaam.	The case pending for Ruling on the execution applied by Bonifance and others.
13	TELECOMS ITALIA SPARKLE S.P. A	KB-2024-000546	High Court of Justice, Kings bench division, United Kingdom.
14	CITI BANK CASE	Civil Application No. 737/16 of 2023	The case is pending at the Court of Appeal of Tanzania for extension of time to file appeal out of time by CitiBank Tanzania Limited.
15	Mr.S.MBAYA and 10 Others	EC 22/2019: Bukoba Resident Magistrates Court.	Criminal Case
16	MOSSES COSMAS KANEKE.	No.31/2022: Kibaha	Criminal Case

2.24 RELATED PARTY TRANSACTIONS

The related party transactions and balances are disclosed in Note 36 to the financial statements 2023/24.

2.25 ENVIRONMENTAL CONTROL PROGRAMME

The Corporation establishes its infrastructure to support its network in different locations throughout the country. Therefore, environmentally friendly technology is a vital criterion

when procuring electronic and no-electronic equipment as well as complying with the statutory Environmental Impact Assessment requirements.

2.26 SOLVENCY AND GOING CONCERN

The Corporation's financial position is presented in the Statement of Financial Position and the same shows that the Corporation has resources needed to continue operating indefinitely.

The Corporation has strength in the following areas; Strong in fixed network and the sole provider of capacity to other Operators; Country wide distribution of network; Availability of cross boarder POSs, Cutting edge fiber optics technology and Strong Government support. The highlighted areas signify the going concern.

The Board has prepared its financial statements in accordance with the appropriate financial reporting standards on the going concern basis. The Board expects that the Corporation will continue to operate in the foreseeable future.

The Board assessed the going concern of the Corporation and realized that there is no any indicator of insolvency, bankrupts or any other issue which may hinder TTCL Corporation to fulfil its obligation in the future.

2.27 STATEMENT OF COMPLIANCE

The Report by Those Charged with Governance is prepared in compliance with the Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) as issued by the National Board of Accountants and Auditors (NBAA) and became effective from 1 January 2021. The Corporation's financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board (IASB).

2.28 FUTURE PERFORMANCE OF THE CORPORATION

The Corporation continued and shall continue to closely monitor expansion of business operations and current sources of revenue and enforce revenue collection from customers to sustain implementation of its mandated functions and plans as per guiding legislation via approved Corporate Strategic Plan (2022/23 - 2026/27).

2.29 CLIENT SERVICE CHARTER

The Corporation has approved its client service charter on 1st March, 2024 which clearly elaborates the relationship between TTCL and its customers. The aim of this charter is to ensure that TTCL provides quality goods and services so that to meet customers' demand.

According to Client Service Charter the following are rights of the Corporation to its customers;

- To terminate services to customers who are not paying their obligations on time.
- To report to the relevant Authority for those customers who conduct illegal activities through communications.

To terminate services to those customers who cause disturbance on the network so that to jeopardize network security of the Corporation.

The following are the responsibilities of the Corporation identified in the Client Service Charter;

- To produce correct Tax Invoices and submit to client within 14 days after end of the month.
- To provide network maintenance on time and ensuring that fault clearance is done immediately.
- To provide proper way whereby customers may provide their opinions on how to improve service delivery.
- To provide correct and well understandable information.
- To ensure confidentiality of customers' information unless they are required by Approved Authority.
- To provide guidance to customers about goods and services offered by the Corporation.
- To observe all agreements mentioned on the Client Service Charter.

The following are the right of TTCL customers;

- To enjoy goods and services offered by the Corporation according to the Client Service Charter.
- To obtain high quality services according to the price paid by customers.
- To provide complaints and ask questions about goods or services offered by the Corporation.
- To be private
- To be given awareness about goods and services offered by the Corporation.
- To receive reference number for any complaint which is not yet resolved by TTCL officials.
- To be given information when there is any situation relating to service disruption.
- To appeal to the higher level for any complaint which has not been resolved by relevant TTCL official.
- To provide opinion or feedback about goods and services offered by the Corporation.
- To use TTCL website to obtain various services which are offered online.

The following are responsibilities of the Customer according to Customer Service Charter;

- To respect and obey to laws and condition provided under the Client Service Charter.
- To pay all outstanding balances as per Tax Invoices within 15 days after receiving Tax Invoices.
- To verify registration of any sim card offered by the Corporation before its uses.

- To inform the services provider about any changes on the address and specific business location.
- To allow TTCL staff to conduct regular maintenance, investigation and improvement of services delivery to customers' premises without any restrictions including providing education and awareness about goods and services offered by the Corporation.
- To protect all TTCL network infrastructures
- To avoid leasing, reallocation or change the use of any TTCL equipment or infrastructures without prior approval of TTCL Management.
- To inform the TTCL about any challenge relating to Network infrastructures.

2.30 APPROVAL

Signature:

Name:

Title:

Board Chairperson

Date:

MB Name:

Title:

Date:

Signature:

Director General

24 3 2025

3 STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2024

The Public Corporation Act, 1992 of Tanzania requires the directors to prepare financial statements for each financial period that present fairly the state of financial affairs of the Corporation as at the end of the financial period and of its profit or loss. It also requires the directors to ensure that the Corporation keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Corporation. They are also responsible for safeguarding the assets of the Corporation. The directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

The directors accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement. To enable the directors to meet these responsibilities they set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the Corporation and all employees are required to maintain the highest ethical standards in ensuring the Corporation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Corporation is on identifying, assessing, managing and monitoring the known risks across the Corporation. While operating risk cannot be fully eliminated, the Corporation endeavours to minimize it by ensuring the appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Accordingly, the directors do not expect an alternative basis of preparation to be materially different from IFRS, and therefore the financial statements have been prepared in accordance with IFRS.

The	financial	statements	were	authorized	for	issue	by	the	Board	of	Directors	on
		202	25 and	signed on it	s be	half by	y: -					

Signature:

Name:

DAVID VIHMB

Name:

Title:

Board Chairperson

Date:

Date:

Signature:

Name:

Mokent Makua

Director General

Date:

213/2025

4 DECLARATION BY THE DIRECTOR OF FINANCE FOR THE YEAR ENDED 30 JUNE 2024

The National Board of Accountants and Auditors (NBAA) according to the power conferred to it under the Auditors and Accountants (Registration) ACT No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with the statement of declaration issued by the Director of Finance responsible for the preparation of the financial statements of the entity concerned.

It is the duty of a professional accountant to assist the Board of Directors to discharge the responsibility of preparing the financial statement of the Corporation showing true and fair view position of the Corporation in accordance with International Financial Reporting Standards and the requirements of the Public Corporation Act, 1992 of Tanzania. Full legal responsibility for the financial statements rests with the Board of Directors as indicated under the Statement of Directors' Responsibilities on the previous page.

I Straton Matei being the Head of Finance of Tanzania Telecommunications Corporation hereby acknowledge my responsibility of ensuring that the financial statements for the period ended 30 June 2024, have been prepared in compliance with International Financial Reporting Standards and in compliance with the requirements of the Public Corporation Act, 1992 of Tanzania.

I thus confirm that the financial statements give a true and fair view position of Tanzania Telecommunications Corporation as on that date and that they have been prepared based on the properly maintained financial records.

Signed by: ACPA Straton Matei

Acting Director of Finance

NBAA Membership No: ACPA 5542

Date: 21,03.2025

FINANCIAL STATEMENT Ŋ

CONSOLIDALED AND SEPARALE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024	EMENIC	JE FINANCIAL POSIT	ION AS AT SO JONE	2024			
	Note		Consolidated			Separate	
		30 June ,2024	30 June, 2023 Restated	1st July,2022 Restated	30 June, 2024	30 June, 2023 Restated	1st July,2022 Restated
		TZS" mil	TZS" mil	TZS" mil	TZS" mil	TZS" mil	TZS" mil
ASSETS							
Non-current assets							
Property, plant and equipment	19	907,537	353,067	337,228	907,530	353,057	337,219
Intangible assets	70	12,266	9,417	5,122	12,266	9,417	5,122
Investment property	21	23,198	21,945	21,687	23,198	21,945	21,687
Indefeasible right of use: Non-							
current portion	23	3,896	20,875	25,078	3,896	20,875	25,079
Deferred Asset - NICTBB IRU: Non-							
current portion	45	2,669	% !	A#	2,669	*	19
Investment in TTCL Pesa	41	**	N.	To.	5,241	4,384	3,867
		949,566	405,304	389,115	954,800	409,678	392,974
Current assets							
Inventories	24	7,500	2,600	3,767	7,500	2,600	3,767
income tax recoverable	25	2,600	2,863	3,671	2,613	2,875	3,676
Government trade receivables	26	33,162	83,080	68,332	33,189	83,097	68,342
Trade and other receivables	27	52,368	66,729	55,454	50,553	65,249	54,324
Prepayments and deposits	28	2,431	4,001	4,179	2,431	4,001	4,179
Indefeasible right of use: Current							
portion	23	1,258	3,986	7,568	1,258	3,986	7,568
							58

AR/PAD/TTCL/2023/24

Controller and Auditor General

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

Differed Asset - NICTBB IRU: Current portion	45	413	ı.	, r	413	C	Ñ
Cash and bank balances	53	22,203	23,352	43,983	21,488	22,451	42,847
		121,935	189,611	186,954	119,445	187,259	184,703
TOTAL ASSETS		1,071,501	594,915	576,069	1,074,245	596,937	577,677
EQUITY AND LIABILITIES							
Equity							
Share capital	30	370,465	370,465	370,465	370,465	370,465	370,465
Share discount	31	(48,619)	(48,619)	(48,619)	(48,619)	(48,619)	(48,619)
Advance towards Share capital	46	356,921	*		356,921		ž
Retirement benefits reserve		171	2,202	2,703	171	2,202	2,703
Revaluation reserves		205,318	205,318	205,318	205,318	205,318	205,318
Accumulated losses		(336,880)	(356,608)	(352,439)	(333,449)	(354,572)	(350,756)
		547,376	172,758	177,428	550,807	174,794	179,111
Non-current liabilities							
Deferred revenue: Non-current							
portion	32	58,712	32,484	41,387	58,712	32,484	41,387
Retirement benefits obligation	33	8,328	6,818	6,632	8,328	6,818	6,632
Provisions - Assets Ketirement Obligation	35	1,459	1,609	1,063	1,459	1,609	1,063
•		68,499	40,911	49,082	68,499	40,911	49,082
Current liabilities							
Deferred revenue: Current portion	32	6,085	5,026	6,404	9,085	5,026	6,404
Trade and other payables	34	312,832	339,677	301,535	312,145	339,663	301,460
Deferred Tax Liability	18	9,298	1,867	3,619	9,298	1,867	3,619
Provisions - Legal claims	35	571	485	3,974	571	485	3,974
Grants	42	123,840	34,191	34,027	123,840	34,191	34,027
							59
•				•			

AR/PAD/TTCL/2023/24

Controller and Auditor General

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

	455,626	381,246	349,559	454,939	381,232	349,484
Total liabilities	524,125	422,157	398,641	523,438	422,143	398,566
TOTAL EQUITY AND LIABILITIES	1,071,501	594,915	576,069	1,074,245	596,937	577,677

2025, and were signed on behalf of the Board of The financial statements were authorized for issue by the Board of Directors on pirectors by:

Signature: DAVID G NXTH(MR)

DAVID G NXHIMB Board Chairperson 21 (3/2025

> Title: Date:

Signature: McMall Maland

Director General

Title: Date:

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

		Conse		Cana Cana	rata
	Note	Consc	olidated	Sepa	
		2024	2023	2024	2023
		2024	Restated	2024	Restated
_	•	TZS" mil	TZS" mil	TZS" mil	TZS" mil
Revenue	9	165,000	149,288	164,279	148,625
Cost of sales	10	(51,928)	(73,039)	(51,801)	(73,049)
Gross profit		113,072	76,249	112,478	75,576
Other income	11	8,639	22,962	8,674	22,977
Net operating revenue		121,711	99,211	121,152	98,553
Operating expenses					
Sales and marketing expenses	12	(16,560)	(14,605)	(15,439)	(14,250)
Network operational costs	13	(59,392)	(42,855)	(59,091)	(42,673)
General and administrative					
expenses	14	(66,725)	(47,776)	(66,198)	(47,310)
		(142,677)	(105,236)	(140,728)	(104,233)
Operating profit/(loss		(20,966)	(6,025)	(19,576)	(5,680)
Finance income	16(a)	520	1,011	520	1,011
Finance costs	16(b)	(247)	(355)	(247)	(355)
Gain / (loss) on revaluation of		• , ,			
investment properties	21	1,253	258	1,253	258
		1,526	914	1,526	914
Profit/(loss) before income to	ax	(19,440)	(5,111)	(18,050)	(4,766)
Income tax credit /(charge)	17	(7,704)	942	(7,700)	950
Profit/(loss) for the year		(27,144)	(4,169)	(25,750)	(3,816)
Other comprehensive income					
(OCI)	-				
OCI not to be reclassified to					
profit or loss in subsequent					
periods					
	n				
Re-measurement (loss)/gain or defined benefits plan	33	(2,031)	(501)	(2,031)	(501)
Net OCI not to be reclassified		(2,031)	(301)	(2,031)	(301)
to profit or loss in subsequen	it	(2,031)	(501)	(2,031)	(501)
periods		(2,031)	(301)	(2,031)	(301)
Total comprehensive profit /		(20.475)	(4 670)	(27,781)	(4 317)
(loss) for the year, net of taxe	:5	(29,175)	(4,670)	(27,701)	(4,317)
		(20.475)	(4 (70)	(27.704)	(4 347)
	\sim	(29,175)	(4,670)	(27,781)	(4,317)

Signature: ____

Name: DAVID C. NCHIMBI

Signature:

Manue

Title:

Date:

Board Chairperson

Title:

Name:

Director General

21/3/2025

Date:

21 3 2025

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

		Advance			Retirement		
Consolidated	Share capital	towards Share capital	Share discount	Revaluation	benefits reserve	Accumulated losses	Total equity
	175 mil	1 K2	155 mil	IIII S71	1 CS IIIII	1 C2 IIII	1 52 mil
At 1 July 2023 Restated Amount	370 465	W	(48 619)	205 318	2 202	(356 609)	172 757
Total offer prior your adjustment	270 465	j. 19	(48 610)	205,218	202,5	(356,600)	172 757
iotal alter prior year adjustiments	3/0,403	•	(40,017)	203,310	7,707	(200,000)	177,737
Profit/(Loss) for the year	•)	9)	MH.	Ü	*C	(27,144)	(27,144)
Advance towards Share capital from NICTBB	3	255,204	*	ě	.₩	43,674	298,878
Advance towards Share capital from NIDC	ij	101,717	1 E	in the second	2877	3,199	104,916
Other comprehensive income for the year, net of taxes	7(8)	390	363		(2,031)).Te	(2,031)
	•	356,921	*		(2,031)	19,729	374,619
At 30 June 2024	370,465	356,921	(48,619)	205,318	171	(336,880)	547,376
At 1 July 2022 As previously stated	370,465	200	(48.619)	199.338	2.703	(340.231)	183.656
Prior year adjustment /Restatement	ï			5,980	ì	(12,208)	(6,228)
Total after prior year adjustments	370,465	(8)	(48,619)	205,318	2,703	(352,439)	177,428
Profit/(Loss) for the year	•#	742	ž		200	(4,169)	(4,169)
Other comprehensive income for the year, net of taxes	(4)	.74	Ğ	15 (i	(501)	(9	(201)
	Ŧ	*	٠	3	(501)	(4,169)	(4,670)
At 30 June 2023	370,465	9	(48,619)	205,318	2,202	(356,608)	172,758

	1	Advance			Retirement	7 7 7	i H
Separate	snare capital	towards snare capital	Snare discount	Revaluation	Denerits reserve	Accumulated losses	equity
	1.25" mil	175" mil	175" mil	1. m. (7. l	175" mil	175° mil	175" mil
At 1 July 2023	770 475		(07)	970	c	7747	474 700
Restated Amount	3/0,465		(48,019)	202,318	707'7	(324,2/4)	1/4,/92
Total after prior year adjustments	370,465	ě	(48,619)	205,318	2,202	(354,574)	174,792
Profit /(Loss) for the year		Ĭ	•	9	*	(25.750)	(25.750)
Advance towards Share capital from NICTBB		255.204	5		(4)	43.674	298,878
Advance towards Share capital from NIDC		101,717	i		. 1	3,199	104,916
Other comprehensive income for the year, net of taxes	j.		ě	£	(2,031)	4.5	(2,031)
		356,921	90	1	(2,031)	21,123	376,013
At 30 June 2024	370,465	356,921	(48,619)	205,318	171	(333,451)	550,805
At 1 July 2022 As previously stated	370,465	iai.	(48,619)	199,338	2,703	(338,548)	185,339
Prior year adjustments	æ	a.	•	5,980		(12,208)	(6,228)
Total after prior year adjustments	370,465	048	(48,619)	205,318	2,703	(350,756)	179,111
Profit /(Loss) for the year	D)	IE.	36	Sact	Ñ	(3,816)	(3,816)
Other comprehensive income for the year, net of taxes	3003	76 # 70	٠	SE	(501)	10	(501)
	а	а	3	*	(501)	(3,816)	(4,317)
At 30 June 2023	370,465	з	(48,619)	205,318	2,202	(354,572)	174,794
# to 22							

Note

During financial year ended 30th June, 2024 the Government has made a decision to transfer the ownership of NICTBB and NIDC to TTCL. The decision led to improve the accumulated loss position as there was an increase in cumulative profits of **TZS 46,873 million**. Also, the total equity was increased by **TZS 356,921 million as** additional capital recognized as a result of business combination between TTCL, NICTBB and NIDC.

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

Operating activities	Note	Consol 2024 TZS" mil	idated 2023 TZS" mil	2024 TZS" mil	Separate 2023 TZS" mil
Receipts From Customers Cash paid to suppliers Cash paid to Operating	48 48	183,514 (79,778)	116,508 (40,469)	183,158 (79,649)	116,210 (40,419)
Expenses Cash Paid to operating Expenses Interest received Cash paid Other Expenses	48 48 48 48	(51,311) (48,033) 520 (2,055)	(33,248) (33,448) 1,011 (1,123)	(50,723) (47,352) 520 (2,055)	(32,657) (33,048) 1,011 (1,123)
Net cash flows from operating activities		2,857	9,231	3,899	9,974
Finance activities Grants received Cash From NIDC***	42	93,560 13,474	4,510	93,560 13,474	4,510
Net cash flows used in investing activities		107,034	4,510	107,034	4,510
Investing activities Purchase of property and					
equipment Decrease/(increase) in prepaid	19	(110,419)	(29,855)	(110,418)	(29,850)
indefeasible right of use Purchase of Intangible assets Investment in TTCL PESA	23 20 41	(621)	(446) (4,491)	(621) (857)	(446) (4,491) (517)
Proceed from sale of property, plant and equipment Net cash flows used in	11	*	71	7.	71
investing activities		(111,040)	(34,721)	(111,896)	(35,233)
Net increase in cash and cash equivalents Effect of unrealized foreign		(1,49)	(20,980)	(963)	(20,749)
exchange differences Cash and cash equivalents at 1		:0 :- :	349	3	354
July Cash and cash equivalents at		23,352	43,983	22,451	42,846
30 June	29	22,203	23,352	21,488	22,451

^{***} Cash from NIDC as of 1st December 2023 was TZS 13,474 billion. The same was recorded in NIDC's financial statement as of 30th November 2023. As from 1st December 2023, NIDC became part of TTCL following decision of the Government to transfer ownership of NIDC to TTCL from the Ministry of Communications and Information Technology.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1 ESTABLISHMENT AND PRINCIPAL ACTIVITIES

1.1 Establishment of the Corporation

TTCL Corporation was established by the Tanzania Telecommunications Corporation Act Number 12 of 2017 on 01 February 2018. It is Tanzania's only fixed and wireless access based full-service telecommunications service provider. Further information on the Corporation, including the principal activities of the Corporation, is included in the this Report.

The Head Office address of the Corporation during the year was:

Tanzania Telecommunications Corporation,
Extelcoms House,
32, Samora Street,
P.O. BOX 9070,
11104 Dar es Salaam,
Tanzania
+255 22 210 0100
info@ttcl.co.tz

1.2 Principal Activities of the Corporation

TTCL Corporation is the largest fixed network Telecommunications service provider in Tanzania providing complete range of voice and broadband services to retail and wholesale customers. The Corporation also provides mobile services for both data and voice countrywide; furthermore, TTCL Corporation offers mobile money services through its subsidiary, TTCL PESA Company Limited.

TTCL Corporation has also been mandated by the Tanzania Telecommunications Corporation Act Number 12 of 2017 to operate and maintain all types of telecommunications Networks, including ICT systems and services within and outside the United Republic of Tanzania (The National Information and Communications Technology Broadband Backbone (NICTBB) and National Internet Data Centre (NIDC) on behalf of the Government.

2 AUTHORISATION OF FINANCIAL STATEMENTS

The Corporation's financial statements for the year ended 30 June 2024 were adopted and authorized for issue by the Risk and Audit Committee of the Board on......

3 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting

Standards Board (IASB), and interpretations to those standards, and in the manner required by Public Corporation Act, 1992 of Tanzania, accompanied with Tanzania Financial Reporting Standards (TFRS) no.1- The Governance Report.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

TTCL Corporation financial statements are prepared and presented in compliance with International Financial Reporting Standards (IFRSs). The significant accounting policies outlined below have been consistently applied throughout the year.

4.1 Revenue recognition

The Corporation provides the series of products and services such as: - Backhauling (Last mile, Metro, and National connectivity), Call Center Facilities, Cloud Services, Colocation and Leased Facilities. Also, the Corporation provides Data Hosting, Data Repository, Dedicated Fixed Broadband Internet/ Data Services, Digital Financial Services and Cyber Security Services. Furthermore, it provides E- Meeting and Video Conference Services, Mobile Voice Services, Fixed and Wireless Internet Broadband Services, ICT Grade Solutions, IP Transit Services, Subsea Data Capacity and Surveillance Services. All those services are provided under either post-paid arrangements and/or prepaid arrangements to Government and Private customers.

Revenue comprises of the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Corporation's activities. Revenue is shown net of value added tax, returns and rebates and after eliminating sales within the Corporation.

Revenue is the function of the tariff charged and time spent by a customer. Tariffs are normally influenced by market forces on an arm's length basis. Revenue is recognized when there is evidence of an arrangement, collectability is probable, and the delivery of the product or service has occurred. In certain circumstances revenue is split into separately identifiable components and recognized when the related components are delivered in order to reflect the substance of the transaction. The value of components is determined using verifiable objective evidence. The consideration of each component is allocated on a relative fair value basis.

TTCL Corporation enters into agreement with customers to provide goods and/or services. Goods and/or services are provided to customers as fulfillment of performance obligation as per individual contract with those customers. Revenue is recognized when the respective obligations in the contract are delivered to the customer and payment remains probable.

The specific recognition criteria described below must also be met before revenue is recognized.

4.1.1 Retail voice

The Corporation provides telephone and data communication services under postpaid and pre-paid payment arrangements. Revenue includes fees for installation and activation, which are deferred over the expected customer relationship period. Costs incurred on first-time installations that form an integral part of the network are capitalized and depreciated over the expected average customer relationship period. All other installation and activation costs are expensed as incurred.

Post-paid and prepaid service arrangements include subscription fees, typically monthly fees, which are recognized over the subscription period.

4.1.2 Local calls revenue

These are charges made on telephone calls (domestic calls) from the TTCL Corporation network within Tanzania. Charges are based on the number of minutes spent during calls. Charge per minute differs according to the network where the call is terminating either to TTCL Corporation phones or if the call is terminating to mobile phones. Revenue on local calls is recognized when the call is placed or the connection is provided.

4.1.3 International calls revenue

This is revenue generated through telephone calls made to outside Tanzania from the TTCL Corporation network. Charges are calculated basing on the number of minutes spent during calls. Revenue on international calls is recognized when the call is placed or the connection is provided. Charges per minute on international calls differ according to the zone to which the call is terminating.

4.1.4 Post-paid revenue

Revenue related to local, long distance, network-to-network, roaming and international call connection services is recognized when the call is placed or the connection provided.

4.1.5 Prepaid revenue (national, fixed-to-mobile and international)

Prepaid traffic service revenue collected in advance is deferred and recognized based on actual usage or upon expiration of the usage period, whichever comes first. The terms and conditions of certain prepaid products allow the carryover of unused minutes; revenue related to the carryover of unused minutes is deferred until usage or expiration.

4.1.6 Revenue from international operators

These are charges made on the calls terminating to the TTCL Corporation network from other telecommunication operators outside Tanzania. Charges are based on the number of minutes spent during calls and the interconnection rate agreed between TTCL Corporation and the other operators. Revenue from other operators is accrued in the period when calls were made as per carrier switch records.

4.1.7 Connection fees

These are charges made on demand for new telephone lines or other services provided by TTCL Corporation, such as internet, private wire, leased circuits and broad band. A customer pays the connection charges before provision of a service. The same is recognized immediately as other income when fund is received from the customer.

4.1.8 Intelsat revenue

This is revenue generated from charges on Intelsat space segment/link provided to customers. Charges depend on capacity of the link leased. Revenue is recognized in the period during which the link was held by the user.

4.1.9 Line rental

These are charges made by the holders of the TTCL Corporation telephone lines for leasing the line and therefore reducing the chance of allocating that line to other user. They are fixed predetermined rate per line payable per month of lease. Currently line rental is charged on post-paid lines/service only. No line rentals are charged on prepaid lines/services. Revenue for line rental is recognized in the month of lease.

4.1.10 Cellular interconnect revenue

These include domestic and international mobile interconnection traffic from mobile operators terminating on or through the TTCL Corporation network. Charges are based on the number of minutes spend during calls as recorded by the TTCL Corporation billing system. Interconnection revenue for call termination, call transit and network usage is recognized in the period in which the traffic occurs.

4.1.11 Lease of lines and facilities

This is revenue from Leased Circuits (E1), and other managed facilities such as space on towers, and other telecommunication premises. The revenue is based on contracted rate per month depending on capacity or space leased and it is recognized on a monthly basis over the lease period based on the contract.

4.1.12 Other telephone revenue

This includes maintenance charges, re-connection fees and other miscellaneous charges for additional product to telephone requested by customer, mainly password, teleconference and voice messages. Revenue related to sale of communication equipment, products and value-added services is recognized upon delivery and acceptance of the product or service.

4.1.13 Post-paid contract and prepaid products

Contract products are defined as arrangements with multiple deliverable. The arrangement's consideration is allocated to each deliverable, based on the fair value

of each deliverable on a relative stand-alone selling price basis as a percentage of the aggregated fair value of individual deliverable.

- Revenue from the handset is recognized when the handset is delivered;
- Monthly service revenue received from the customer is recognized in the period in which the service is delivered;
- Airtime revenue is recognized on the usage basis commencing on activation date. Unused airtime is deferred in full and recognized in the month of usage or on termination of the contract by the subscriber;
- Revenue from the sale of prepaid products is recognized when the product is delivered to the customer;
- Revenue from the sale of prepaid airtime is deferred until such time as the customer uses the airtime, or the credit expires; and
- Free minutes are accounted for as a separate identifiable deliverable and revenue allocated to free minutes is deferred and recognized when the free minutes are used or expire.

4.1.14 Data - internet revenue

The Corporation provides data communication services under post-paid and prepaid payment arrangements. Revenue includes fees for installation and activation, which are deferred over the expected average customer relationship period. Costs incurred on first-time installations that form an integral part of the network are capitalized and depreciated over the life of the expected average customer relationship period. All other installation and activation costs are expensed as incurred. Post-paid and prepaid service arrangements include subscription fees, typically monthly fees, which are recognized over the subscription period.

Deferred revenue and expenses

Activation revenue and costs are deferred and recognized systematically over the expected duration of the customer relationship because it is considered to be part of the customers' ongoing rights to telecommunication services and the operator's continuing involvement. Any excess of the costs over revenues is expensed immediately.

4.1.15 Indefeasible Right of Use (IRUs)

An IRU is a contractual agreement between the operator of a communication system, such as a submarine communications cable or a fibre optic network, and a customer. The purchase of an IRU gives the purchaser the right to use some capacity on a telecommunication cable system, including the right to lease that capacity to someone else, for the life of the cable or fibre network.

IRU involves long term contractual obligations of between 3 to 15 years to purchase or sale certain bandwidths. Revenue derived from these IRUs is recognized using the straight-line method over the contract period.

The Corporation initially recognize the contractual cost and subsequently amortize the cost over the life of the contract period which range from 3 to 15 years.

4.1.16 Mobile money revenues

Mobile money revenue is obtained through subsidiary company in terms of fees and commission received from transfer funds; cash out, purchase of airtime, payment of utilities such as electricity, water, pay TV as well as Government bills and charges from interoperability.

4.1.17 Other income

Other income is realized when the economic benefit flows to the Corporation and the earning process is complete.

4.1.18 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains a lease if fulfillment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

Corporation as a lessee

TTCL Corporation applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Corporation recognizes lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

The Corporation recognizes right of use assets at the commencement date of the lease when the underlying asset is available for use. Right of use of assets are measured at costs less any accumulated depreciation and impairment losses and adjusted for any re-measurement of leases liabilities.

The cost of right of use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are amortized on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

TTCL Corporation **recognizes lease liabilities** at the commencement date of the lease. The lease liability is measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the

group uses its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

TTCL Corporation applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (those leases that have a lease term of 12 months or less from the commencement date and do not contain purchase option). It also applies the lease of low value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low value assets are recognized as expenses on a straight-line basis over the lease term.

Corporation as a lessor

Leases in which the Corporation does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

4.2 Payments

4.2.1 Payments to international operators

These are charges made on the calls originating from the TTCL Corporation network, terminating to or through other operators' networks outside Tanzania. Charges are based on the number of minutes spent during calls and the interconnection rate agreed between TTCL Corporation and that other operator. Costs to other operators are accrued in the period when calls were made as per carrier switch records. Reconciliation based on traffic and agreed tariff is thereafter carried out by the parties to identify the actual amounts for payments or settlements.

4.2.2 Cellular interconnect charges

These include domestic and international mobile interconnection traffic originating from the TTCL Corporation network, terminating on or through other operators' mobile networks. Charges are based on the number of minutes spent during the calls as recorded by the TTCL Corporation billing system, and the interconnection rate agreed between the parties. Subsequently, reconciliation based on traffic and tariff records among these parties is carried out to determine actual payments. Costs are recognized in the period in which traffic was recorded.

4.2.3 Discounts/commission to dealers

These are discounts and commissions allowed to Super Dealers who are engaged by TTCL Corporation to sell and distribute TTCL Corporation phone cards (PPA and PCC) to customers. Super Dealers buy these cards in bulk and sell them to retail distributors or directly to customers. TTCL Corporation allows a fixed commission (or

discount) on the total value of cards bought by the dealer and recognizes this as a direct cost in the month of the transaction.

4.2.4 Ruim cards and scratch cards

These are costs incurred to purchase the ruim cards and prepaid cards which are used as means of sales and distribution of air time for Prepaid Account (PPA) and Prepaid Calling cards (PCC). These are expensed when sold to customers.

4.2.5 Regulatory costs

Regulatory charges are the costs incurred for the right to operate the telecommunications services, including use of the frequency spectrum, management services fee and other charges accrued in relation with the right to operate the telecommunications services in the relevant period. Regulatory costs are expensed in the year in which they are incurred.

4.2.6 International fibre transmission costs

International fibre transmission costs are costs incurred by the Corporation to use bandwidth capacity on SEACOM and Eastern Africa Submarine Cable System (EASSy) fibre-optic cable systems. TTCL Corporation pays a contractual amount on a monthly basis for operations and maintenance of the fibre optic systems.

4.3 Property, Plant and equipment

At initial recognition, acquired property and equipment is recognized at the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. The recognized cost includes any directly attributable costs for preparing the asset for its intended use. The cost of an item of property and equipment is recognized as an asset if it is probable that the future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably.

Subsequent expenditure is included in the asset's carrying amount 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 profit or loss during the period in which they are incurred.

Property and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Each component of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation is charged from the date the asset is available for use on a straight-line basis over the estimated useful life and ceases at the earlier of the date that the asset is classified as held-for sale and the date the asset is de-recognized. Idle assets continue to attract depreciation. Previously, land and building were combined together and therefore land had no value. In the current financial year, Management

has decided to determine the land value and then separate the land and building in the statement of financial position and notes to the financial statements.

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life. The estimated useful lives applied are provided in the table below:

Asset category	Years	Rate
Buildings	50	2%
Network equipment;		
External plants	25	4%
Towers	25	4%
Power plant	10	10%
Radio transmission equipment	10	10%
Optical fibre transmission	25	4%
NICTBB Optical fibre	25	4%
Switching equipment	10	10%
Testing and measuring equipment	10	10%
Other assets		
Furniture and office equipment	10	10%
Computer and electronic equipment	8	12.5%
Computer applications software	5	20%
Motor vehicles	10	10%
Motor cycles & Tri-cycles	7	14.28%
Intangible Assets		
Regulatory license	25	4%
Microsoft license	3	33%
EASSy Cable use rights	25	4%

The estimated useful life of individual assets and the depreciation method thereof are reviewed on an annual basis at the reporting date. The depreciable amount is determined after taking into account the residual value of the asset. The residual value is the estimated amount that the Corporation would currently obtain from the disposal of the asset, after deducting the estimated cost of disposal, if the assets were already of the age and in the condition expected at the end of its useful life. The residual values of assets are reviewed on an annual basis at reporting date.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease if there is no reasonable certainty that the Corporation will obtain ownership by the end of the lease term. Where it is reasonably certain that the lease agreement will be renewed, the lease period equals the period of the initial agreement plus the renewal periods.

Leasehold land is stated at cost and is not depreciated. Amounts paid by the Corporation on improvements to assets which are held in terms of operating lease

agreements are depreciated on a straight-line basis over the shorter of the remaining useful life of the applicable asset or the remainder of the lease period.

Assets under construction represent buildings, operating software, network and support equipment and include all direct expenditure but exclude the costs of abnormal amounts of waste material, labour, or other resources incurred in the production of self-constructed assets.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

4.4 Intangible assets

At initial recognition, acquired intangible assets are recognized at their purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

The useful lives of intangible assets are assessed as either finite or indefinite.

The recognized cost includes any directly attributable costs for preparing the asset for its intended use. Internally generated intangible assets are recognized at cost comprising all directly attributable costs necessary to create and prepare the asset to be capable of operating in the manner intended by management. Licenses, software, trademarks, copyrights and other intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization commences when the intangible assets are available for their intended use and is recognized on a straight-line basis over the assets' expected useful lives. Amortization ceases at the earlier of the date that the asset is classified as held-forsale and the date that the asset is derecognized.

The residual value of intangible assets is the estimated amount that the Corporation would currently obtain from the disposal of the asset, after deducting the estimated cost of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. Due to the nature of the assets the residual values are assumed to be zero unless there is a commitment by a third party to purchase the assets at the end of its useful life or when there is an active market that is likely to exist at the end of the asset's useful life, which can be used to estimate the residual values. The residual values of intangible assets, the amortization methods used and their useful lives are reviewed on an annual basis at the reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic

benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives, for example goodwill, and intangible assets not yet available for use (under construction), are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Assets under construction represent application and other non-integral software and include all direct expenditure as well as related borrowing costs capitalized, but excludes the costs of abnormal amounts of waste material, labour, or other resources incurred in the production of self-constructed assets.

Intangible assets are derecognized when they have been disposed of or when the asset is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of assets are recognized in profit or loss in the year in which they arise.

The expected useful lives applied to the intangible assets held by the Corporation are disclosed in Note 20.

4.5 Licenses

Licenses are recognized at cost. The cost of licenses covering more than one year are capitalized and amortized on a straight-line basis over their estimated useful lives.

4.6 Software costs

Costs of application software purchased from vendors are capitalized if they meet the capitalization criteria including productivity enhancement or a noticeable increase in the useful life of the asset. Computer operating system software are included as part of computer cost. Subsequent additions, modifications or upgrade of software programs, whether operating or application packages, are expensed as incurred. Software training and data-conversion costs are expensed as incurred.

4.5 Investment property

Buildings, or part of a building held for long term rental yields and/or capital appreciation and are not occupied by the Corporation are classified as investment property under non-current assets. Recognition of investment property take place only when it is probable that the future economic benefits that are associated with the investment property will flow to the Corporation and the cost can be reliably measured.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value,

which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Corporation accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

4.6 Current versus non-current classification

The Corporation presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is either:

- i. Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realised within 12 months after the reporting period; and
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when either: -

- i. It is expected to be settled in the normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within 12 months after the reporting period; and
- iv. There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Corporation classifies all other liabilities as non-current. Deferred income tax assets and liabilities are classified as non-current assets and liabilities.

4.7 Asset retirement obligations

Asset retirement obligations related to property, plant and equipment are recognized at the present value of expected future cash flows when the obligation to dismantle or restore the site arises. The increase in the related asset's carrying value is

depreciated over its estimated useful life. The unwinding of the discount is included in finance charges and fair value movements.

Changes in the measurement of an existing liability that result from changes in the estimated timing or amount of the outflow of resources required to settle the liability, or a change in the discount rate are accounted for as increases or decreases to the original cost of the recognized assets. If the amount deducted exceeds the carrying amount of the asset, the excess is recognized immediately in profit or loss.

4.8 Impairment of property and equipment and intangible assets

The Corporation assesses, at each reporting date, its non-financial assets and cashgenerating units for any indication of impairment. When indicators, including changes in technology, market, economic, legal and operating environments, availability of funding or discontinuance of services occur, which could result in changes of the assets or cash-generating unit's estimated recoverable amount, an impairment test is performed.

Intangible assets that have an indefinite useful life, for example goodwill, are tested annually for impairment. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs of disposal and its value in use, which is the present value of projected cash flows covering the remaining useful lives of the asset. The discount rate used is the discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized when the asset's carrying amount exceeds its estimated recoverable amount. Where applicable, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Previously recognized impairment losses, other than goodwill, are reviewed annually for any indication that they may no longer exist or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated. Such impairment losses are reversed in profit or loss if the recoverable amount has increased as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized in prior years.

4.9 Repairs and maintenance

The Corporation expenses all costs associated with day-to-day repairs and maintenance, unless it is probable that such costs would result in future economic benefits flowing to the Corporation, and the costs can be reliably measured.

4.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs

consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.11 Financial instruments

Initial Recognition and measurement

All financial instruments are initially recognised at fair value, plus, in the case of financial assets and liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue. Financial instruments are recognised when the Corporation becomes a party to the contractual arrangements. All regular way transactions are accounted for settlement date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement of financial assets

Subsequent to initial recognition, the Corporation classifies financial assets as fair value through other comprehensive income, fair value through profit or loss and amortized cost. During the current year, the Corporation has accounts receivables which are measured by using amortized costs.

Subsequent measurement of financial liabilities

After initial measurement, financial liabilities are classified as measured at amortized cost except for financial liabilities at fair value through profit or loss.

De-recognition of financial instruments

Financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired; or
- The Corporation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Corporation has transferred substantially all the risks and rewards of the asset, or (b) the Corporation has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the asset.

Financial liabilities: A financial liability is de-recognised when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in profit or loss.

4.12 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of profit or loss and other comprehensive income unless required or permitted by an accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Corporation.

4.13 Impairment of financial assets

Impairment of financial assets is done by using International Financial Reporting Standard (IFRS 9), Financial Instruments. IFRS 9 operates an expected credit loss model rather than and incurred credit loss model.

Re-measurement of embedded derivatives

The Corporation assesses whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when it first becomes party to the contract. The Corporation re-assesses the contract when there is a change in the terms of the contract which significantly modifies the cash flows that would otherwise be required under the contract.

4.14 Cash and cash equivalents

This comprises cash on hand, deposits held on call and term deposits with an initial maturity of less than three months when entered into.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents defined above.

4.15 Inventories

Installation materials, maintenance and network equipment inventories are stated at the lower of cost, based on a weighted average, and estimated net realizable value. Merchandise inventories are stated at the lower of cost, determined on a first-in first-out basis, and estimated net realisable value. Net realisable value is the price at which engineering stocks and merchandise stocks can be realised in the open market or normal course of business, respectively after allowing for the incidental costs. Inventory items held by contractors responsible for upgrading and expanding the network are recorded within capital work-in-progress. Provision for obsolete inventories is calculated based on the product life cycle, technology and movement trends of the individual inventory items.

4.16 Foreign currencies

The Corporation's financial statements are presented in Tanzania Shillings (TZS), which is also the Corporation's functional currency.

Transactions in foreign currencies are initially recorded by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the spot rate of exchange ruling at the reporting date.

Monetary assets and liabilities denominated in foreign currencies are translated at the spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

4.17 Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided for using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill
 or an asset or liability in a transaction that is not a business combination and,
 at the time of the transaction, affects neither the accounting profit nor
 taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future;

- Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except;
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Un-recognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and **deferred tax liabilities** are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Valued Added Tax

Expenses and assets are recognized net of the amount of Valued Added Tax, except:

When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

4.18 Employee benefits

Retirement benefits obligations

The Corporation provides for defined contribution plans and defined benefit plans for the benefit of employees. A defined contributions plan is a plan under which the corporation pays fixed contributions into a separate entity. The corporation has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods. The contributions are recognised as employee benefits expense when they are due.

A defined benefit plan is a retirement benefit plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds or market rates on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized directly to the 'Retirement benefits reserve' under equity through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Corporation recognizes related costs of organization structure review.

Leave benefits

Annual leave is provided for over the period that the leave accrues and is subject to a cap established by the Corporation.

Termination benefits

Retrenchment packages or benefits are recognized in respect of employees who are affected as negotiated with the Central Joint Industrial Council.

Short-term employee benefits

The cost of all short-term employee benefits is recognized during the year of services, unless the Corporation uses the services of employees in the construction of an asset and the benefits received meets the recognition criteria of an asset, at which stage it is included as part of the related property, plant and equipment or intangible asset item.

4.19 Provisions for liabilities and charges

Provisions are recognised when the Corporation has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation.

5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Corporation's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Corporation's accounting policies, management has made certain judgments, which have the most significant effect of the amounts recognised in the financial statements: These, together with the key estimates and assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, are as follows:

5.1 Going concern

The directors have made significant assumptions and judgments in respect to going concern as disclosed in below.

Statement of Financial Position shows that the Corporation has resources needed to continue its business for the foreseeable future The Corporation has strength in the following areas; Strong in fixed network especially FTTH line of business where TTCL has competitive advantage as compared to other operators; the sole provider of capacity to other Operators; Country wide distribution of network; Availability of cross boarder point of sales (POSs), Cutting edge fibre optics technology and Strong Government support.

The highlighted areas signify that, the Corporation will continue to operate in the future therefore there is no any indicator of insolvency, bankrupts or any other issue which may hinder TTCL to fulfil its obligation.

5.2 Valuation of investment property

The Corporation carries its investment property at fair value, with changes in fair value being recognized in profit or loss. The Corporation engages independent valuation specialists to determine fair value at the end of each financial year.

5.3 Employee benefits pension obligation

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Corporation determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Corporation considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. The carrying amount of the pension obligation and additional information is disclosed in Note 33.

5.4 Impairment of trade receivables

The impairment of trade receivables was done as per the requirements of IFRS 9. The Corporation has developed a model which identifies the amount of impairment based on the requirement of IFRS 9. The model shows analysis for determining expected credit loss which is used to calculate the amount of impairment.

Based on the model, TTCL Corporation has categorized its accounts receivables into Government receivables, corporate receivables and retail receivables. The level of credit risk is assessed separately for each category based on historical payment trend, nature of customers, current situation and future information that will affect the customer to make payments.

The customers' information is used to estimate default rates which are attached to each category based on aging analysis done to all categories of accounts receivables. The aging analysis is divided into three different stages i.e. stage I, stage II and stage III, then the default rate is attached to each stage.

The amount of impairment loss is calculated by multiplying the default rate and outstanding balance of account receivables as per aging analysis.

5.5 Impairment of Property and equipment, and Intangible assets

Significant assumptions are made in determining the recoverable value for the purpose of determining the impairment charge in respect of property equipment and intangible assets. To determine the recoverable amount, the value in use method in

discounting projected cash flows from operations as determined under the Corporation's Strategic Business Plan.

Management has used a discounting factor of 16% which reflects the weighted average cost of capital and degree of uncertainty in realizing cash flows as projected in the Strategic Business Plan.

If the discounting factor had been 10% higher/ (lower) than the management estimate and all other factors remained unchanged, the Corporation will still have no impairment loss. Additional information including the carrying amounts is disclosed in Notes 19 and 20.

5.6 Useful lives of property and equipment, and intangible assets

The useful lives of assets are based on Public Property Regulation (Issued 2024). Management considers the impact of changes in technology, customer service requirements, availability of capital funding and required return on assets and equity to determine the optimum useful life expectation for each of the individual categories of property and equipment and intangible assets. Due to the rapid technological advancement in the telecommunications industry as well as TTCL Corporation's plan to migrate to a next generation network over the next few years, the estimation of useful lives could differ significantly on an annual basis due to unexpected changes in the roll-out strategy. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives and what their condition will be at that time. Changes in the useful lives and/or residual values are accounted for as a change in accounting estimates.

For intangible assets that incorporate both a tangible and intangible portion, management uses judgement to assess which element is more significant to determine whether it should be treated as property and equipment or intangible assets. Additional information including the carrying amounts is disclosed in Note 19 and 20.

5.7 Deferred tax assets

Management's judgement is exercised when determining the probability of future taxable profits which will determine whether deferred income tax assets should be recognized or de-recognized. The realization of deferred income tax assets will depend on whether it is possible to generate sufficient taxable income, taking into account any legal restrictions on the length and nature of the taxation asset. When deciding whether to recognize un utilized deferred taxation credits as deferred income tax assets, management needs to determine the extent that the future obligations are likely to be available for set-off against the deferred income tax asset. In the event that the assessment of the future obligation and future utilization changes, the change in the recognized deferred income tax asset is recognized in profit or loss. Additional information including the carrying amounts is disclosed in Note 18.

5.8 Assets retirement obligations

Management's judgement is exercised when determining whether an asset retirement obligation exists, and in determining the expected future cash flows and the discount rate used to determine its present value when the obligation to dismantle or restore the site arises, as well as the estimated useful life of the related asset. Additional information including the carrying amounts is disclosed in Note 35.

5.9 Provisions

Estimates are made of legal or constructive obligations resulting in the raising of provisions, and the expected date of probable outflow of economic benefits to assess whether the provision should be discounted. Liabilities provided for legal matters require judgments regarding projected outcomes and ranges of losses based on historical experience and recommendations of legal counsel. Litigation is however unpredictable and actual costs incurred could differ materially from those estimated at the reporting date. Additional information including the carrying amounts is disclosed in Note 35.

5.10 Contingent liabilities

On an ongoing basis the Corporation is a party to various legal disputes, the outcome of which cannot be assessed with a high degree of certainty. A liability is recognized where, based on the Corporation's legal views and advice, it is considered probable that an outflow of resources will be required to settle a present obligation that can be measured reliably. Disclosure of other contingent liabilities is made in Note 39 unless the possibility of a loss arising is considered remote.

6 FINANCIAL RISK MANAGEMENT

The Corporation's activities expose it to a variety of financial risks: Market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Corporation's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance, but the Corporation does not hedge against any risks. Risk management is carried out by the management on behalf of the Board of Directors.

The Corporation's financial instruments include government and other trade receivables, trade payables and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Corporation's operations. Trade receivables and trade payables arise directly from the Corporation's operations.

a) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The

Corporation does not have significant exposure to interest rate risk as it holds no significant financial instruments that are interest bearing.

Price risk

The Corporation does not hold any financial instruments subject to price risk

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation's exposure to the risk of changes in foreign exchange rates relates primarily to the Corporation's activities (when revenue or expense is denominated in a different currency from the Corporation's presentation currency). The Corporation's operations are only in Tanzania and the main income from telecommunication services is billed in the local currency while significant costs of equipment and material purchases are denominated in foreign currencies. Foreign exchange spot rates are negotiated with bankers on a competitive basis.

6. FINANCIAL RISK MANAGEMENT cont.....

		Consolidate	ed		Separate	
Foreign exchange risk	2024	2023		2024	2023	
3 3	TZS	TZS	Total	TZS	TZS	Total
At 30 June 2024						
Financial assets						
Government trade receivables	=	83,080	83,080	72	33,188	33,188
Trade and other receivables	220	66,729	66,729	(ie)	50,552	50,552
Cash and bank balances	1,903	21,449	23,352	1,903	19,585	21,488
Total financial assets	1,903	171,258	173,162	1,903	103,325	105,229
Financial liabilities						
Interest bearing loans	(3)	(-)	36	(5 2	750	7
Trade and other payables	54	339,622	339,677	54	312,091	312,145
Total financial liabilities	54	339,622	339,677	54	312,091	312,145
Net gap	1,849	(168,364)	(166,515)	1,849	(208,765)	(206,916)
	TZS	TZS	Total	TZS	TZS	Total
At 30 June 2022						
Financial assets			386			
Government trade receivables	323	(4)	(#5	92,786	(9,689)	83,097
Trade and other receivables	(€)0	(*6)	(<u>9</u>)	94,697	(29,447)	65,250
Cash and bank balances	5,970	(0)	8,392	6,351	16,101	22,451
Total financial assets	5,970	(0)	8,392	193,834	(23,035)	170,799

Net gap	5,915	(54)	8,283	193,780	(362,644)	(168,865)
Total financial liabilities	54	54	108	54	339,609	339,663
Trade and other payables	54	54	108	54	339,609	339,663
Interest bearing loans	-		S = 5	-	(E	7
Financial liabilities						

The Corporation has no significant foreign currency exposure in currencies other than United States Dollar.

b) Liquidity risk

The Corporation monitors its risk to shortage of funds using budget analysis. This involves analysing projected cash flows from operations. The Corporation's goal is to maintain a balance between continuity of funding and flexibility through the use of borrowings, equity and cash collections from customers. The primary objective of the Corporation's liquidity management is to ensure that it maintains compliance with the creditor commitments and obligations. To maintain or adjust the liquidity position, the Corporation may call for more capital from shareholders, get financing

facilities or adjust the timing of capital expenditure and / or repayments to some creditors, where possible.

The table below summarizes the maturity profile of the Corporation's financial liabilities based on contractual un-discounted payments. All balances are reflected in millions of Tanzania Shillings.

Liquidity risk						
	< 1 year	> 1 year	Total	< 1 year	> 1 year	Total
At 30 June 2024	2024	2023		2024	2023	
Financial assets						
Government trade receivables	12,042	70,131	82,173	12,062	70,121	82,183
Trade and other receivables	15,413	22,407	37,820	15,503	21,198	36,701
Cash and bank balances	26,716	17,332	44,048	25,764	17,148	42,912
Total financial assets	54,171	109,870	164,041	53,329	108,467	161,796
Financial liabilities						
Interest bearing loans	(*)	Ħ	(12)	5	(7)	7
Trade and other payables	31,257	203,488	234,745	30,969	203,627	234,596
Total financial liabilities	31,257	203,488	234,745	30,969	203,627	234,596
Net gap	22,914	(93,618)	(70,704)	22,360	(95,160)	(72,800)
	< 1	> 1		< 1	> 1	
	year	year	Total	year	year	Total
A+ 20 June 2022						

At 30 June 2023 Financial assets

Government trade receivables	5,287	71,942	77,229	5,267	71,984	77,251
Trade and other receivables	1,528	20,880	22,407	1,445	19,753	21,198
Cash and bank balances	3,406	13,926	17,332	3,183	13,965	17,148
Total financial assets	10,221	106,748	116,969	9,895	105,702	115,596
er						
Financial liabilities						
Interest bearing loans	3 5 3	Ŧ,	VE:	#		ē
Trade and other payables	78,192	125,296	203,488	77,938	125,689	203,627
Total financial liabilities	78,192	125,296	203,488	77,938	125,689	203,627
Net gap	(67,972)	(18,548)	(86,519)	(68,044)	(19,987)	(88,031)

All the above balances are due within 12 months and the un-discounted payments reasonably approximate the carrying amounts as the impact of discounting is not significant.

c) Credit risk

Credit risk is the financial exposure generated by the potential default of third parties in fulfilling their obligations. The Corporation uses financial institutions regulated by Bank of Tanzania and approved by the Board of Directors. There is no independent credit rating for banks operating in Tanzania. However, the Corporation's bankers are either large or reputable banks in Tanzania or subsidiaries of reputable international banks. Some customers are required to pay security deposits before being connected for services.

There are no significant concentrations of credit risk within the Corporation. The maximum exposure arising from financial assets is as follows:

Credit risk	2024 TZS"	2023	2024	2023
	mil	TZS" mil	TZS" mil	TZS" mil
Not impaired				
Government trade receivables	33,163	83,080	33,188	83,097
Trade and other receivables	52,368	66,729	50,552	65,250
Bank balances	22,201	23,337	21,486	22,436
	107,731	173,146	105,227	170,783
Impaired				
Government trade receivables	1,932	11,616	1,906	11,599
Trade and other receivables	64,158	63,794	64,133	63,783
	66,090	75,410	66,039	75,382
Maximum exposure to credit risk	173,821	248,556	171,266	246,165

No collateral is held for any of the above assets. The Corporation does not grade the credit quality of receivables.

All financial assets that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated.

The ageing of the financial assets that are past due but not impaired (which are due after 60 days of the end of the month in which they are invoiced) is as follows:

	2024	2023	2024	2023
	TZS'm	TZS'm	TZS'm	TZS'm
Past due but not impaired:				
- by up to 30 days	3,018	3,226	3,018	3,226
- by 31 to 60 days	10,651	1,850	10,651	1,850
- by more than 60 days	6,982	11,718	6,982	11,718
Total past due but not impaired	20,652	16,794	20,652	16,794

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterpart default rates as follows;

Trade receivables	2024 TZS'm	2023 TZS'm	2024 TZS'm	2023 TZS'm
Group 1 - new customers/related parties. Group 2 - existing customers/related parties	5			
with no defaults in the past. Group 3 - existing customers/related parties with some defaults in the past. All defaults	44,995	75,385	44,995	75,385
were fully recovered.	15,137	9,155	15,137	9,155
·	60,132	84,540	60,132	84,540
	2024	2023	2024	2023
Cash at bank	TZS'm	TZS'm	TZS'm	TZS'm
Bank of Tanzania	3,156	5,111	3,156	416
National Bank of Commerce Ltd				
National Microfinance Bank PLC	276	2,221	259	1,488
TIB Bank	1	1	1	1,613
	3,433	7,333	3,416	3,517
	<u> </u>		(a)	
Cash in hand	0	13	0	15
	3,433	7,346	3,416	3,533

FINANCIAL INSTRUMENTS BY CATEGORY

The Corporation's financial assets are categorised as loans and receivables that are measured at amortised cost while all financial liabilities are classified as liabilities measured at amortised cost.

Classification of financial instruments				
	2024	2023	2024	2023
Receivables	TZS'm	TZS'm	TZS'm	TZS'm

Financial assets as per the statement of fin position:	nancial			
Government trade receivables Trade and other receivables (excluding	33,163	83,080	33,188	83,097
prepayments)	52,368	66,729	50,552	65,250
Cash and bank balances	22,203	23,352	21,488	22,451
	107,733	173,162	105,229	170,799
Financial liabilities at amortized cost Financial liabilities as per the statement or position:	f financial			
Interest bearing borrowings	-	₩.	¥	¥
Trade and other payables (excluding				
statutory liabilities)	282,908	300,754	282,949	300,781
	282,908	300,754	282,949	300,781

7. CAPITAL MANAGEMENT

The Corporation's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. Consistent with others in the industry, the Corporation monitors capital on the basis of the gearing ratio. This ratio is calculated as net borrowings divided by total capital. Net borrowings are calculated as total borrowings less cash and bank balances. Total capital is calculated as equity, as shown in the statement of financial position, plus net borrowings.

During the period, the Corporation's target which was unchanged from 2017 to maintain a maximum gearing ratio of 50% but the target was not met because of accumulated losses. The gearing ratios as at 30 June 2024 and 30 June 2023 were as follows: -

Capital risk management

	2024 TZS'm	2023 TZS'm	2024 TZS'm	2023 TZS'm
Total borrowings Less: Cash and cash equivalents Net debt	22,203 22,203	23,352 23,352	21,488 21,488	22,451 22,451
Total shareholders' surplus (deficit)	548,048	172,757	550,803	174,792
Total capital	570,250	196,109	572,291	197,244
Gearing ratio	5 9 0	(5	=

The Corporation has no externally imposed capital requirements.

8. FAIR VALUE

The fair value of an asset or liability is the amount at which the asset or liability could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or un-observable. Observable inputs reflect market data obtained from independent sources while un-observable inputs reflect the Corporation's market assumptions. The Corporation uses the following hierarchy for determining and disclosing the fair value of assets and liabilities:

- 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 from the market;
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data;

The following methods and assumptions are used to estimate the fair values of financial assets and financial liabilities:

- Fair values of the trade and other receivables and trade and other payables are the amounts expected to be recovered or settled respectively; and
- Fair values of the Corporation's interest-bearing borrowings are determined by using the Discounted Cash Flow method using discount rates that reflect the issuer's borrowing rate as at the end of the reporting period.

The Corporation did not hold any assets or liabilities measured at fair value other than investment property.

Fair value of Investment property

Investment properties measured at fair value in the statement of financial position are categorized by level according to the significance of inputs used in making the measurement.

	Level 1	Level 2	Level 3
Investment property			
TTCL House	*	18,021	5 5 2
Ex Posta Club		5,177	
Total	•	23,198	:#:

The fair value for investment properties are calculated using the direct income capitalization method, which results in this measurement being classified as level 2 in the fair value hierarchy.

Investment properties are valued on a highest and best use basis. For all of corporation's investment properties the current use is considered to be the highest and best use.

Disclosures on fair value of investment property are included in Note 21.

		Conso	lidated	Sepa	rate
		2024	2023	2024	2023
		TZS" mil	TZS" mil	TZS" mil	TZS" mil
9	REVENUE				
	(a) Operating revenue				
	Fixed data	79,024	70,706	79,024	70,706
	Wholesale Data	26,037	24,209	26,037	24,209
	Colocation	15,395	14,193	15,395	14,193
	Mobile (Voice & data)	16,751	24,554	16,751	24,554
	Fixed Voice	4,175	4,562	4,175	4,562
	Devices & Terminals	404	425	412	426
		141,786	138,649	141,794	138,650
	(b) Revenue from NIDC	*		*	
	NIDC Revenue	3,267	100	3,267	(e)
		3,267		3,267	J.E.
					
	(c) Revenue from NICTBB				
	Management fees	603	1,446	603	1,446
	Accommodation	48	109	65	109
	ICT Capacity	14,857	(0)	14,857	0
	Co-location charges	3,693	8,420	3,693	8,420
		19,201	9,975	19,218	9,975
	(d) Revenue from T-PESA				
	Money Transfer (P2P) Revenue	14	8	147	541
	Bill payment Commission	4	4	321	72
	Utility Revenue	13	14	21	12
	Bank Cashin Revenue	30	21		988
	Cash Out Revenue	332	307	420	12:
	Comm on Airtime purchase Acc TTCL Pesa	1	1	90	/ *
	Interoperability Revenue	238	192	5 .	- 5
	Check Balance Revenue	12	16	(#O)	
	N Card Revenue	102	101	7	
		746	664	229	! \(\vec{\pi}\)
	Total revenue	165,000	149,288	164,279	148,625

During the financial year 2023/24, TTCL recognized revenues of TZS 14.86 billion derived from sale of NICTBB capacity to customers. The revenue was recognized through amortization of deferred revenue originated from IRU contracts. This was resulted from decision made by the Government to transfer NICTBB infrastructures to TTCL from 20 November 2023.

10 COST OF SALES

	International access	348	509	348	509
	Payment to international operators	2,383	1,240	2,383	1,240
	Cellular interconnect charges	2,300	2,256	2,300	2,256
	Telephone sets and accessories	246	329	246	329
	Ruimcards and scratch cards	142	187	142	187
	Discount and commission to dealers*	636	1,094	636	1,094
	Leased line costs	8,908	29,062	8,908	29,062
	Regulatory costs	9,675	7,882	9,675	7,882
	Excise duty & Airtime Levy	17,042	17,045	16,998	17,003
	International fibre transmission	2,833	2,596	2,833	2,596
	International transit to mobile	91	483	91	483
	Capacity costs	2,803	2,629	2,803	2,629
	National Roaming	3,941	6,877	3,941	6,877
	Other costs	580	850	497	902
	other costs	51,928	73,039	51,801	73,049
11	OTHER INCOME				
	Rental income	1,352	1,521	1,352	1,521
	Gain on disposal of motor vehicles	·	71	無	71
	Miscellaneous income	1,372	5,988	1,385	6,003
	Decrease in Provision for Impairment of Assets	:=:	10,330	=	10,330
	Decrease in Provision for Inventory	635	706	635	706
	Decrease in Impairment for debtors	1,540	·	1,562	()€:
	ARO - change in estimates	24	125	24	15
	Amortization of Grant	3,679	4,346	3,679	4,346
	Foreign exchange gain - realized	37		37	<u></u>
		8,639	22,962	8,674	22,977
12	SALES AND MARKETING EXPENSES				
. –	JALLS AND MARKETING EAR EIGES				
	Marketing expenses	1,967	2,246	1,053	1,991
	Employee benefits - salaries and wages	14,593	7,681	14,386	7,589
	Impairment of debtors		4,678		4,670
	•	16,560	14,605	15,439	14,250
13	NETWORK OPERATIONAL COSTS				
	Network maintenance costs	4,630	7,696	4,630	7,696
	Depreciation	33,575	19,973	33,574	19,973
	Employee benefits - salaries and wages	21,187	15,186	20,887	15,004
	Employee sellenes sudines and mages	59,392	42,855	59,091	42,673
	3	,	,		-,-,-

14 GENERAL AND ADMINISTRATIVE EXPENSES

Energy costs	9,300	6,833	9,300	6,833
Rent and rates	359	723	359	723
Travelling	3,782	3,318	3,709	3,234
Foreign exchange losses - realized	(=)	229	9	229
Net foreign exchange loss - unrealized	2,010	(348)	2,010	(348)
Other administrative expenses	9,952	9,224	9,876	9,141
Obsolete Stock	.(2)	121	=	121
NICTBB Differed asset amortization	9,733		9,733	356
Insurance, licence and security	6,177	6,171	6,160	6,156
External consultants	139	67	139	67
Employee benefits - salaries and wages	12,253	10,581	12,079	10,455
Terminal benefits	5	41	5	41
Other employee benefits expense (Note 15)	9,733	6,497	9,632	6,421
Directors' fees, allowances and other				
expenses(Note 36)	141	126	100	84
Auditors' remuneration	261	216	220	180
Depreciation	2,684	3,781	2,680	3,777
Amortization of intangible assets	196	196	196	196
	66,725	47,776	66,198	47,310

15 OTHER EMPLOYEE BENEFITS EXPENSE

	9,733	6,497	9,632	6,421
obligation (Note 33)	1,287	627	1,287	627
Increase/(decrease) in retirement benefit				
Staff telephone costs	707	412	707	412
Staff medical expenses	2,573	907	2,560	897
Development Levy (SDL)	1,790	1,352	1,767	1,337
Corporation's contribution to Skills and			4 747	4 227
Corporation's contribution to PSSSF	3,376	3,199	3,311	3,148
expense:				
The following amounts make up other employee	e benefits			

All employees of the Corporation are members of the Public Service Social Security Fund (PSSSF) except one (1) employee who is a member of Zanzibar Social Security Fund (ZSSF). The Corporation contributes 13% and employees contribute 7% of the employees' basic salary to ZSSF on a monthly basis. The contribution to PSSSF is based on an employee's basic salary at the rate of 5% for the employee and 15% for the Corporation's contribution for all employees. The Corporation's contribution is charged to profit or loss when payable.

16 FINANCE INCOME AND COSTS

(a) Finance income:				
Interest income	520	1,011	520	1,011
Total finance income	520	1,011	520	1,011
(b) Finance costs:				
Interest expense - liabilities	(247)	(181)	(247)	(181)
Finance Costs on Asset Retirement Obligation	. •	(174)		(174)
Total finance costs	(247)	(355)	(247)	(355)
Net finance costs	273	656	273	656

17 INCOME TAX EXPENSE

The Corporation as a separate entity made a taxable profit of TZS 2,982 million during the year (2023: taxable profit of TZS 8,674 million). However, as at period-end, the Corporation had accumulated tax losses of TZS 333,973 million (2023: TZS 354,576 million). Tax of TZS 268 million (2023: TZS 802 million) has been charged in accordance with income tax act where by 30% was used on adjusted taxable income.

	Consol	idated	Sep	arate
	2024	2023	2024 TZS"	2023
	TZS" mil	TZS" mil	mil	TZS" mil
Charge/ (credit) to loss for the year				
Corporate Tax	272	810	268	802
Deferred income Charge/ (Tax Credit)	7,432	(1,752)	7,432	(1,752)
	7,704	(942)	7,700	(950)

DEFERRED INCOME TAX 18 (ASSET)/LIABILITY

Deferred income tax is calculated on all temporary differences under the liability method using the enacted income tax rate of 30%.

Deferred income tax assets and liabilities at the period-end are attributable to the following items:

	30 June 2024
	TZS" mil
Deferred Income Tax	
Opening balance	1,867
Accelerated depreciation on property and	
equipment	6,391
Decrease in Provision for Inventory	386
Increase/(decrease) in retirement benefit	
obligation	386
ARO - change in estimates	603

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Net foreign exchange loss - unrealized Gain / (loss) on revaluation of investment	603
properties	(469)
Decrease in Impairment for debtors	(469)
Recognized Deferred Tax Liability	9,298
Deferred income Charged/(Tax Credit) during the year	7,432
	30 June 2023
	TZS" mil
Deferred Income Tax:	
Opening balance	3,619
Accelerated depreciation on property and	440
equipment Impairment of debtors	410 1,401
Provision for impairment of obsolete	1,701
inventories	(176)
Increase/(decrease) in retirement benefit	188
obligation Finance costs on Assets Retirement	100
Obligation	52
Gain / (loss) on revaluation of investment	(70)
properties	(78)
Non-taxable income-unrealized foreign exchange gain, gain on disposal, decrease	
in impairment, change in estimates	(3,220)
Withholding taxes	(329)
Recognized Deferred Tax Liability	1,867
Deferred income Charged/(Tax Credit)	===-
during the year	(1,752)

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19 PROPERTY PLANT AND EQUIPMENT (PPE)

Consolidated	Land TZS" mil	Buildings TZS" mil	Telecom plant and equipment TZS" mil	Other assets TZS" mil	Capital work-in- progress TZS" mil	Total TZS" mil
Cost At 1 July 2023 NICTBB PPE	133,477	75,383 15,146	585,864 383,522	31,223 6,901	15,715 156,478	841,662 562,047
NIDC PPE Additions Transfers to FAR from WIP	79	4,357	101,440 106 23,075	1,225 4,270	105,976 (27,432)	110,419
Transfer to SOCI form WIP Adjustment for change in ARO estimates At 30 June 2024	133,544	94,886	(126) 1,093,881	43,619	(388)	(388) (126) 1, 616,279
Accumulated Depreciation At 1 July 2023 Accumulated depreciation-NICTBB Accumulated depreciation-NIDC	300 10 30	11,490 3,458	417,705 172,358 1,133	25,138 6,901 38	(e. 6 K	454,333 182,717 1,171
Charge for the year At 30 June 2024	я ю	1,562 16,510	33,575 624 ,771	1,122 33,199	(# (#E)	36,259 674,480
Accumulated Impairment At 1 July 2023 Impairment for the year At 30 June 2024	3E K 1	* * *	34,262	T I I	(U E I	34,262 34,262
Net carrying amount At 30 June 2024	133,544	78,376	434,848	10,420	250,349	907,537

As at 30 June 2024, some of items under property and equipment were held as collateral at TIB Development, TCB and NMB PLC.

^{*}Other assets include Motor vehicles, Furniture & Fittings and Computers & IT equipment.

Consolidated	Land TZS" mil	Buildings TZS" mil	Telecom plant and equipment TZS" mil	Other assets TZS" mil	Capital work-in- progress TZS" mil	Total TZS" mil
Cost At 1 July 2022	133,448	74,822	561,442	27,596	18,014	815,322
Restated Amount At 1 July 2022 (Restated)	133,448	(6) 74,816	(1,762) 559,680	32 27,628	386 18 ,400	(1,350) 813,972
Additions	29		1,038	5,168	23,620	29,855
Adjustment for change in ARO estimates	11	Ą	372	100	(6)	372
Transfers to FAR from WIP	÷	267	24,774	•	(25,341)	0)
Transfer to SOCI from WIP	((4));	(10)	2002	087	(964)	(964)
Transfers to Intangible (From WIP)	3 0	*	900	30	(0)	(0)
Disposal during the year	×	Ñ.	38	(1,573)		(1,573)
At 30 June 2023	133,477	75,383	585,864	31,223	15,715	841,662
Accumulated Depreciation						
At 1 July 2022	ê.	8,508	404,997	25,902	(*	439,407
Restated Amount	E)	(22)	(7,265)	32	120	(7,255)
At 1 July 2022 (Restated)	1,	8,486	397,732	25,934	*	432,152
Charge for the year	31	3,004	19,973	777	Ĭ.	23,754
Disposal during the year	1(10)	(*)	(30)	(1,573)		(1,573)
At 30 June 2023	Ŀ	11,490	417,705	25,138	Ē	454,333
Accumulated Impairment At 1 July 2022 Impairment for the year			44,592 (10,330)			44,592 (10,330)

As at 30 June 2024, some of items under property and equipment were held as collateral at TIB Development and NMB PLC.

*Other assets include Motor vehicles, Furniture & Fittings and Computers & IT equipment.

19 PROPERTY PLANT AND EQUIPMENT (PPE)

Separate	Land TZS" mil	Buildings TZS" mil	Telecom plant and equipment TZS" mil	Other assets TZS" mil	Capital work-in- progress TZS" mil	Total TZS" mil
Cost At 1 July 2023 NICTBB PPE NIDC PPE	133,476	75,383 15,146	585,895 383,522 101,440	31,192 6,901	15,684 156,478	841,630 562,047 102,665
Additions Transfers to FAR From WIP Transfer to SOCI from WIP Adjustment for change in ARO estimates At 30 June 2024	67 133,543	4,357	106 23,075 (126) 1,093,912	43,587	105,976 (27,432) (388) 250,318	(388) (126) (126)
Accumulated Depreciation At 1 July 2023 Charge for the year Accumulated depreciation-NICTBB Accumulated depreciation-NIDC At 30 June 2024	* * * * * *	11,490 1,562 3,458	417,705 33,575 172,358 1,133 624,77 1	25,116 1,118 6,901 38 33,173		454,311 36,255 182,717 1,171

Accumulated Impairment						
At 1 July 2023	*	jine:		'ac) (6)	34,262
Impairment for the year	Ñ.	E2	10	18	ij	•
At 30 June 2024	P		34,262		<u></u>	34,262
Net carrying amount At 30 June 2024	133,543	78,376	434,879	10,414	250,318	907,530

As at 30 June 2024, some of items under property and equipment were held as collateral at TIB Development, and NMB PLC.

*Other assets include Motor vehicles, Furniture & Fittings and Computers & IT equipment.

Separate	Land TZS" mil	Buildings TZS" mil	Telecom plant and equipment TZS" mil	Other assets TZS" mil	Capital work-in- progress TZS" mil	Total TZS" mil
Cost At 1 July 2022	133,447	74,822	561,442	27,570	18,014	815,295
Restated Amount	*	(9)	(1,762)	32	386	(1,350)
At 1 July 2022 (Restated)	133,447	74,816	559,680	27,602	18,400	813,945
Additions	29	⊡	1,038	5,163	23,620	29,850
Transfers to FAR From WIP		292	24,805	1981	(25,372)	(*)
Adjustment for change in ARO estimates	8	*IL	372	F :	ń	372
Transfer to SOCI from WIP		#7	r	MV.	(964)	(964)
Disposal during the year	*	*0	,	(1,573)	¥C	(1,573)
Transfers to Intangible (From WIP)	*	3E	*	98	0	0
At 30 June 2023	133,476	75,383	585,895	31,192	15,684	841,630
Accumulated Depreciation						
At 1 July 2022	(90)	8,508	404,997	25,884	120%	439,389
Restated Amount		(22)	(7,265)	32	6 1/	(7,255)

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As at 30 June 2023, some of items under property and equipment were held as collateral at TIB Development, and NMB PLC.

*Other assets include Motor vehicles, Furniture & Fittings and Computers & IT equipment.

S/N	DESCRIPTION	VALUE IN TZS
_	Plot No. 41 Block F Mbezi Area Kinondoni Municipality In Dar es salaam City	409,000,000.00
2	Plot No. 232&233 Block P Kigoma/Ujiji in Kigoma Municipality, Kigoma region	1,299,000,000.00
ω	Plot No. 17 Block M Majita Road Musoma Municipality Mara Region	1,105,000,000.00
4	Plot No. 2 Block "L" Miyomboni Area, Iringa	1,079,000,000.00
2	Plot No. 111 Block "3" Sisima Area, Mbeya City	1,257,000,000.00
9	Plot No. 42 Block "1" at TANU road, Mtwara township	1,167,000,000.00
7	Plot No. 489/2 Mlimani area in Dodoma Municipality	2,073,000,000.00

∞	8 Plot No. 24A, 24C, 24D and 24E Block "G" Uganda road Bukoba Town, Kagera region	2,400,000,000.00
6	Plot No. 96 Block A Section 1 Moshi Municipality In Kilimanjaro region	2,793,000,000.00
10	10 Plot with Title Plan No. DP151/93 Situated at Kijangwani Urban and Western Region of Unguja	4,688,000,000.00
7	11 Plot No. 283/64 Zanaki Kaluta/India street In Dar es salaam City	7,659,000,000.00
12	12 Plot No. 717/6 Mikocheni area, Kinondoni Municipality, Dar es salaam city	17,298,000,000.00
	TOTAL	42,818,000,000.00

PROPERTIES FOR MORTGAGE WITH NMB BANK

SN	PLOT & BLOCLK	TERM	TITLE NO.	SIZE IN	VALUE IN TZS
_	Plot No. 61 & 64 -Arusha Municipality	99Yrs w.e.f 1.10.1969-30.9.2068	055019/59	SQM 1010.8	
2	Plot No. 336 Block 'A' Usa River-Arumeru	99Yrs w.e.f 1.10.1992 - 30.9.2091	11308Sub Title No. 14965	9584	3,369,000,000.00
	District				925,000,000.00
m	Plot No. 749 Block "H" Themi Hill- Arusha District	99Yrs w.e.f 1.1.1997 - 31.12.2096	13030	2130	456,000,000.00
4	Wageni Tel. Exchange Ukonga - Ilala District	99yrs w.e.f 1.1.1965 - 31.12.2064	16068	929.03	287,000,000.00
2	Kurasini Telephone Exchange Plot - Temeke District	99yrs w.e.f. 1.1.1968 - 31.12.2067	17242	1411.2	382,000,000.00
9	Kawe Post Office & Tel. Exchange Plot, Kinondoni District	99yrs w.e.f 1.1.1966 - 31.12.2065	17518 Subtitle No. 50636	959.96	239,000,000.00
7	Plot No.415 Block G - Ubungo, Kinondoni District	99Yrs w.e.f 1.1.1968 - 31.12.2067	17317	1663	990,000,000
∞	Tel. Exchange Plot-Observation Hill, Kinondoni District	99Yrs w.e.f 1.1.1964 - 31.12.2063	16194	930.78	207,000,000.00
6	Plot No. 1084 Jangwani - Kinondoni District	99Yrs w.e.f 1.10.1994 - 30.9.2093	44526	991	306,000,000.00
10	Plot No. 235 Block B Part 1 Tabata -Dsm City, Ilala District	99 Yrs w.e.f 1.7.1993-30.6.2091	45389	2560	259,000,000.00
=	Plot No. 189 Block "R" Magomeni DSM City - Kinondoni District	99Yrs w.e.f 1.10.1994 - 30.9.2093	45387	750	394,000,000.00
12	Plot No. 240 Block "C" Mbezi Tangi Bovu - Kinondoni District	33Yrs w.e.f 1.1.1995 - 31.12.2094	45386	450	104,000,000.00

	124,000,000.00	265 000 000 000	202,000,000.00	4,449,000,000.00		4,994,000,000.00		29,323,000,000.00		2,700,000,000.00		3,320,000,000.00		1,224,000,000.00		2,180,000,000.00		2,017,000,000.00		1,070,000,000.00		1,372,000,000.00		1,273,000,000.00		1,006,000,000.00		655,363,440.00
1207		12474	2474		3231			1,853		5,358		2,089		705		3,237		2,090		191		1,456	11733		1628		1332	
11174		13501 Sub Title No. 13506	40813		37372		186607/64		45349		186037/27	2	186166/121	12	7390 MBYLR		51000 Sub Tile No. 51104		47628		2133TNG		148/93		12537TBR		1250/13	
99Yrs w.e.f 1.10.1995 - 30.9.2094		99yrs w.e.f 1.10.2000-30.9.2099.	99Yrs wef 1/7/2012 - 30/6/2111		99 YRS with effect from 1/10/2011 -	31.09.2110	99Yrs w.e.f 1.1.1964 - 31.12.2063		99Yrs w.e.f 1.1.1984 - 31.12.2082		99Yrs w.e.f 1.10.1994 - 30.9.2093		33Yrs w.e.f 1.7.1993 - 30.6.2026		66Yrs w.e.f 1.10.1993-30.9.2059		33Yrs w.e.f 1.7.1995-30.6.2028		33Yrs w.e.f 1.4.1995 - 31.3.2028		99Yrs w.e.f 1.10.2020- 30.9.2119		33Yrs w.e.f 22.12.93-21.11.2026		99yrs w.e.f. 1.1.2020 - 31.12.2118		33Yrs w.e.f 14/3/2013 - 13/3/2046	
Plot No. 365/1 Kirumba Valley-Awanza		Plot No. 113 Block "K". Geita District	Plot No. 64 Block "K" Central Area Mwanza		Plot No. 62 Block "K" Central Area,	Mwanza City	Plot No. 29,31,271/30 and 272/30 Samora	Avenue - DSM CITY	Plot No. 1839 Msasani DSM City -	Kinondoni District;	arume/ Haile Sellassie Road	O'Bay Dsm City	Plots No. 1080 Upanga Central Area, DSM	City	Plot No. 2 Block "G" Central Area Songea		Plot No 249 Pugu Road		Plot No 7 Block 'l' Kariakoo		Plot No 9/2 Block KB II Central Area Tanga		Plot at Maruhubi Unguja magharibi		Plot No.1, 2, 40 & 41 Block "A" Tabora	Municipality	Plot No 350 Madungu Chake chake Pemba	
28		29	30		31		32		33		34		35		36		37		38		39		40		4		42	

00 000 000	592,000,000.00	534,000,000.00	508.000.000.00	503,000,000.00	417,000,000.00	339,000,000.00	291,000,000.00	76,014,363,440.00
6979	7588	4564	2180	2757	٧ 1349	2135	4192	
12466	94620	7221MBYLR	258MZLR	11186	18761Sub title No.1279 MTW	6886-DLR	369MTW	
33Yrs w.e.f 1.10.1995-30.9.2028	99YRS w.e.f 01.04.2012 - 31.03.2111	66Yrs w.e.f 1.4.1995 - 31.3.2061	99Yrs w.e.f 1.1.1974-31.12.2072	99Yrs w.e.f 1.7.1997-30.6.2096	99Yrs w.e.f 1.7.1970 - 30.6.2069	99Yrs w.e.f 1.7.1988-30.6.2087	33Yrs w.e.f 1.7.1989-30.6.2022	
Plot No.141 Block 2-Tabora Municipality	Plot No.8 Block T Bagamoyo Urban Area	Plot No.3 Block H Medium Density Boma Area Sumbawanga	PLOT at Biharamulo Urban Area	Plot No.56-60 Block A Ngara Urban Area	Post office plot Commercial/residential Nachingwea	Plot No 12 Singida	Commercial Institution Plot No. 916 & 917 Block 'Z" Wailes Lindi Township	TOTAL
43	4	45	46	47	48	49	20	

20 INTANGIBLE ASSETS

Total TZS" mil	18,908 2,381 43 621 21,953	7,911	1,580	12,266	15,095 4,491 (678)
Capital work- in-progress TZS" mil		30	9. 3r 3r		4,460
Other licences TZS" mil	11,976 2,381	1,452 156 1,608	1,580	11,169	7,485 31 4,460 11,976
EASSy Cable use rights TZS" mil	3,891	3,514	1 3 30	377	3,891
SunSystem licence fee TZS" mil	* * * * €	* * *	ă ă ă		878) (678)
Microsoft licence fee TZS" mil	2,036 43 621 2,700	2,036	* * *	664	2,036
Regulatory licence fee TZS" mil	1,005	909 40 40		26	1,005
Consolidated	Cost At 1 July, 2023 NICTBB Intangible NIDC Intangible Additions At 30 June 2024	Accumulated Amortization At 1 July, 2023 Charge for the year At 30 June 2024	Accumulated Impairment At 1 July, 2023 Impairment during the year At 30 June 2024	Net carrying amount At 30 June 2024	Cost At 1 July, 2022 Additions Disposal Transfer from WIP At 30 June 2023

8,393 (678) 196 7,911	1,580	9,417		Total TZS" mil	18,908	2,381	, 43	621	21,953	7,911	8,107
: E E E		Ĭ.		Capital work- in-progress TZS" mil		Ť	*	(ii)		Ж 3	1
1,452	1,580	8,944		Other licenses TZS" mil	11,976	2,381	,	2.0	14,357	1,452	1,608
3,358 156 3,514	6 6 4	377	TA A CA	Cable use rights TZS" mil	3 891		100	<u> </u>	3,891	3,514	3,514
678) (678)	C C J			SunSystem license fee TZS" mil	i		Ĩ	ā	•	ig.	•
2,036	C C		Mirron ft	license license fee TZS" mil	7 036) Î	43	621	2,700	2,036	2,036
869 40 909		96		Regulatory license fee TZS" mil	1 005	*	4	i i	1,005	909	949
Accumulated Amortization At 1 July, 2022 Disposal Charge for the year At 30 June 2023	Accumulated Impairment At 1 July, 2022 Impairment during the year At 30 June 2023	Net carrying amount At 30 June 2023	20 INTANGIBLE ASSETS (Continued)	Separate	Cost	NICTBB Intangible	NIDC Intangible	Additions	At 30 June 2024	Accumulated Amortization At 1 July, 2023 Charge for the year	At 30 June 2024

Accumulated Impairment At 1 July, 2023	30	:001	:0	· e	1,580		1,580
Impairment during the year	•	ĸ		•0)	16	# 8	16
At 30 June 2024		ĸ		*	1,580 -	×	1,580
Net carrying amount							1
At 30 June 2024	26	664	•	377	11,169	Ē	12,266
At 1 July, 2022	1,005	2,036	829	3,891	7,485		15,095
Additions	<u>F</u>	5.00	1.8-	ř	31	4,460	4,491
Disposal	8	£5	678	ř.	æ		829
Transfer from WIP	¥.			ij	4,460	4,460	k
At 30 June 2023	1,005	2,036	š	3,891	11,976	Ť	18,908
Accumulated Amortization							
At 1 July, 2022	698	2,036	678	3,358	1,452	ř.	8,393
Disposal			829	•	£	*	829
Charge for the year	40	*	٠	156	×	(#C)	196
At 30 June 2023	606	2,036	31 31	3,514	1,452	3	7,911
Accumulated Impairment							
At 1 July, 2022	ň	£	ř	6	1,580	ří	1,580
Impairment during the year	8		(4)		*	•	•
At 30 June 2023		(1	(a)	×	1,580	ř	1,580
Net carrying amount							
At 30 June 2023	96	T.	Ē	377	8,944 -	•	9,417
l.							

20 INTANGIBLE ASSETS (CONTINUED)

Regulatory license fee

The regulatory license fee represents cost incurred to acquire the telecommunications licenses issued by the Regulator, Tanzania Communications Regulatory Authority (TCRA). The license is required to operate telecommunications business and is being amortised over its useful life of 25 years effective from December 2001.

Microsoft license

This represents Microsoft software license for IT equipment which has been capitalized and is being amortised over the period of the license. Microsoft software license is for the period of three years subject to renewal after expiry.

EASSy cable use rights

TTCL is one of the Consortium members of East African Submarine Systems (EASSy) cable, whose capital contribution towards the construction cost is US\$ 2.5 million. TTCL's contribution to the EASSy cable is 1% of the total construction cost. The EASSy cable capacity is apportioned to the Consortium members in proportion to the capital contributed. Based on the cost of the cable, TTCL is entitled to the capacity equivalent to STM-1. In addition, operational costs are shared by all Consortium members in proportion to their capital contribution on a quarterly basis. The cost is amortised over the estimated useful life of the cable of 25 years from July 2009.

Other licenses

This represents fees paid by the Corporation for use of different licensed software such CVBS billing system software, Teammate audit management system, Symantec endpoint protection and others. These licenses are amortised over their useful lives.

21 INVESTMENT PROPERTY

Valuation at 30 June 2024			5,177	23,198
Change in Fair value	TZS" mil	723	530	1,253
~	TZS" mil	•	(*)	ij
Valuation at 30 June 2023				
Change in Fair value	TZS" mil	1,289	(1,031)	258
Additions	TZS" mil	**	38	51
Valuation at 30 June 2022	TZS" mil	16,009	5,678	21,687
		TTCL House	Ex Posta Club	Total

The investment property comprises of two properties located at Plot 717/6, Mikocheni Area, Kinondoni Municipality and Plot 721, Block II, Simu Street, Central Area in Dar es Salaam. The carrying amount of TZS 21,945 million is based on an open market valuation as of 30th June, 2023 that was performed by an independent valuer, Trace Associates Ltd. The independent valuer, Trace Associates Ltd reassessed the fair value as at 30th June, 2024 to be TZS 23,198 million and concluded that the estimated fair value has increased by TZS 1,253 million compared to 30th June, 2023.

Key inputs into valuation of investment property:

2023	TZS 16,090 to TZS 32,180	(Average of TZS 24,135)	0% - 2% (Average of 1%)
Range (weighted average) 2024	TZS 20,800 to TZS 52,000	(Average of TZS 36,400)	0% - 3% (Average of 1.5%)
Significant unobservable inputs	Estimated rental value per square	meter per month	Rent growth per annum
		Office properties	

Valuation techniques for investment property:

Buildings, structures and services were valued using comparative method, sometimes referred to as Direct Capital Comparison Approach taking into account their depreciation. Buildings

investment property in the same location and these are observable, either directly or indirectly from the market. There have been no transfers into or out of The valuations for the investment property are classified into level 2 hierarchy since the significant inputs into the valuations are the open market prices for this fair value hierarchy.

21 INVESTMENT PROPERTY (Continued)

The Corporation generated rental income from its investment property as below:

2023	TZS" mil	240	91	331
2024	TZS" mil	240	46	286
		TTCL House	Ex Posta Club	

The Corporation incurred direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period as below;

Total TZS" mil 16 14 18 9 61	Total TZS" mil 16 4 14 16 7 57
2024 Ex Posta Club TZS" mil	2023 Ex Posta Club TZS" mil 4
TTCL House TZS" mil 12 4 14 18 9	TTCL House TZS" mil 12 4 14 16 7 53
Maintenance & Repairs Ground & Property rent Cleaning Services Security Service Electricity Water Total	Maintenance & Repairs Ground & Property rent Cleaning Services Security Service Electricity Water

There was no sale of investment property during the year and in the previous year. As at 30 June 2024, there were no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal and there were no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

22	OTHER INVESTMENTS	Consol	idated	Sepa	rate
		2024	2023	2024	2023
		TZS" mil	TZS" mil	TZS" mil	TZS" mil
	Opening balance	1,129	1,129	1,129	1,129
	Accumulated impairment	(1,129)	(1,129)	(1,129)	(1,129)
	Closing balance	141	÷	달	2

Rascom is the regional satellite communications organization whose main objective is to establish a dedicated satellite system for Africa. The Corporation's holding at 30 June 2024 and 30 June 2023 amounted to US\$ 1,134,456 representing about 3.16% stake in Rascom. Full impairment of the Rascom investment was done as it is unlikely that sufficient income will be earned to recover the cost of the investment.

23 PRE-PAID INDEFEASIBLE RIGHT OF USE (IRU)

Indefeasible right of use (IRU) represents capacity purchase for bandwidth from another telecommunications company. The analysis of the long term and current portions of the pre-paid IRU is summarized below:

	Opening balance Additions	24,861	32,646 446	24,861	32,646 446
	Expensed in the year	(2,457)	(8,231)	(2,457)	(8,231)
	NICTBB Expensed in the year Write Off	(17,250)	<u> </u>	(17,250)	-
	Closing balance	5,154	24,861	5,154	24,861
	Current portion	1,258	3,986	1,258	3,986
	Noncurrent portion	3,896	20,875	3,896	20,875
	∜	5,154	24,861	5,154	24,861
24	INVENTORIES				
	Engineering stores	6,754	6,103	6,754	6,103
	Saleable Items	2,392	1,798	2,392	1,798
	Office Consumables and Marketing	129	109	129	109
		9,275	8,010	9,275	8,010
	Provision for impairment of obsolete inventories	(1,775)	(2,410)	(1,775)	(2,410)
	inventories	7,500	5,600	7,500	5,600
	Movement in the provision for				
	Opening balance	2,410	2,996	2,410	2,996
	Additions (Release) for the year	Sign	120	¥	120

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	Decrease in Provision Closing balance	(635) 1,775	(706) 2,410	(635) 1,775	(706) 2,410
25	INCOME TAX RECOVERABLE	CONSOLI	DATION	SEPA	RATE
		2024	2023	2024	2023
	At 1 July	2,863	3,671	2,875	3,676
	Current income tax for the year	(263)	(808)	(262)	(801)
		2,600	2,863	2,613	2,875
26	GOVERNMENT TRADE RECEIVABLES				
	Government trade debtors	35,094	1,910	35,094	1,910
	NICTBB receivable	-	92,786	-	92,786
		35,094	94,696	35,094	94,696
	Provision for impairment losses	(1,932)	(11,616)	(1,905)	(11,599)
		33,162	83,080	33,189	83,097
	The movement on the provision for impairment of below:	of Governmen	t trade receiva	ables is as an	alyzed
	Opening balance Increase/(Decrease) impairment during the	11,616	11,031	11,599	11,021
	year	(9,684)	585	(9,694)	578

^{**} Following the transfer of NICTBB to TTCL on 30 November 2023, prior year balances of TZS 92,786 million related to NICTBB receivables and TZS 57,650 million related to NICTBB payable were eliminated in the TTCL books of account, along with the corresponding balances in NICTBB's books of account, resulting in nil balances in the current year. As of 30 November 2023 (the effective transfer date), TTCL's receivable from NICTBB was TZS 99,197 million, while TTCL's payable balance to NICTBB was TZS 40,018 million, leading to a net receivable balance of TZS 59,179 million which was eliminated with the corresponding net payable balance in NICTBB books.

1,932

11,616

1,905

11.599

Additionally, the movement of other government trade debtors from TZS 1,910 billion on 30 June 2023 to TZS 35,094 billion on 30 June 2024 resulted from the reclassification of accounts receivables from trade and other receivables into government trade receivables.

		Consoli	dated	Separate		
27	TRADE AND OTHER RECEIVABLES	2024	2023	2024	2023	
		TZS" mil	TZS" mil	TZS" mil	TZS" mil	
	Telephone trade receivables	43,249	35,416	43,249	35,416	
	International trade receivables		2	-	2	

Closing balance

	Other trade receivables Amounts due from other parties Withholding tax recoverable Sundry receivables Trade receivables relating to NICTBB	64,077 58 1,844 2,437 111,665 4,861 116,526	80,181 10,547 1,172 3,205 130,523	63,920 16 1,795 845 109,825 4,861 114,686	80,088 10,547 1,134 1,845 129,032
	Less: Provision for impairment losses - trade debtors Provision for impairment losses - others Sub-total	(59,634) (4,524) (64,158)	(59,270) (4,524) (63,794)	(59,609) (4,524) (64,133)	(59,259) (4,524) (63,783)
	Net trade and other receivables	52,368	66,729	50,553	65,249
	The movement on the provision for impair below:	ment of trade	and other rece	eivables is as	analyzed
	Opening balance Additional impairment during the year Closing balance	63,794 364 64,158	46,608 17,186 63,79 4	63,783 350 64,133	46,607 17,176 63,783
28	PREPAYMENTS AND DEPOSITS				
	Advance payments Prepayments for services	1,358 1,073 2,431	2,256 1,745 4,001	1,358 1,073 2,431	2,256 1,745 4,00 1
29	CASH AND BANK BALANCES				
	Cash in hand Cash at bank Unrestricted cash and bank balances	2 19,417 19,419	15 20,057 20,072	2 18,702 18,704	15 19,156 19,171
	Restricted cash and bank balances				
	Short term deposits*	2,784 2,784	3,280 3,280	2,784 2,784	3,280 3,280
		22,203	23,352	21,488	22,451

^{*}Relates to bank guarantee deposits at TIB and NMB.

30 SHARE CAPITAL

600,000,000 ordinary shares of TZS 1,000 per share	600,000	600,000	600,000	600,000
Issued share capital				
370,464,616 ordinary shares of TZS 1,000 per share Additional Capital from Shareholders TOTAL CAPITAL	370,465 - 3 70,465	370,465 - 3 70,465	370,465 - 3 70,465	370,465

The TTCL was incorporated on 1 January 1994 with authorized share capital of TZS 200 billion divided into 40 billion shares of TZS 5 each. At general extraordinary meeting held on 21 July 1999, the Company's shareholder resolved to increase the authorized share capital to TZS 600 billion divided into 600 million shares and the consolidation of existing shares of TZS 5 each into new shares of TZS 1,000 each, together with the issue and allotment of 293,864,616 ordinary shares of TZS 1,000. A share certificate was issued to the Government of Tanzania in May 2000.

On 23 February 2001, the Government of the United Republic of Tanzania, the sole shareholder of the Company, sold 35% of its ownership in the Company to a consortium of DETECON GmbH of Germany and Bharti Airtel International (Tanzania) BV [formerly Celtel International BV / Mobile Systems International Investments Holdings BV (MSI)] of the Netherlands. The consortium paid instantly US\$ 60 million as the first tranche and subsequently US\$ 4.96 million, as the final instalment after the signing of the Shareholders' Agreement in 2006. The shares issued to the Consortium were paid at a discount following the approval by both shareholders. All issued shares are fully paid.

During financial year 2016/2017 the Government of the United Republic of Tanzania purchased 35% shares of Bharti Airtel (Tanzania) B.V and became the only shareholders of the Corporation. On 1 February 2018, the Government of Tanzania decided to change the legal status of TTCL from Company Limited into Public Corporation. Also, the Government through the Ministry of Finance and Planning decided to convert the Government Loan amounted to TZS 76600 million into equity.

On 20 November, 2023 the Government of Tanzania through the Ministry of Information, Communications and Information Technology made a decision to transfer NICTBB and NIDC infrastructures to TTCL. This decision brought to TTCL additional capital of TZS 424 billion which was recognized in TTCL book of accounts in the financial year ended 30th June, 2024. TTCL obtained additional capital of TZS 323 billion relating to NICTBB infrastructures while TZS 101 billion was relating to NIDC infrastructures.

31 SHARE DISCOUNT

Movement in the share discount for				
Opening balance	(48,619)	(48,619)	(48,619)	(48,619)
Charge for the year	×	:•:	Ħ	7.0
Closing balance	(48,619)	(48,619)	(48,619)	(48,619)

Share discount shown above relates to 35% sell of shareholding to strategic Investor - a consortium comprising DETECON GmbH of Germany and Mobile Systems International Cellular Investments Holdings BV (MSI) of The Netherlands on 23rd February 2001.

The consortium paid instantly US\$ 60 million as the first tranche and subsequently US\$ 4.96 million, as the final instalment after the signing of the Shareholders' Agreement in 2006. The shares issued to the Consortium were paid at a discount following the approval by both shareholders

32 DEFERRED REVENUE

Indefeasible Rights of Use (IRU)	36,949	32,294	36,949	32,294
Airtime revenue	2,668	2,570	2,668	2,570
Deferred income-prepaid - TTCL	1,604	2,646	1,604	2,646
Deferred income-prepaid - NIDC	1,326		1,326	6
	42,547	37,510	42,547	37,510
Deferred income-prepaid - NICTBB	25,250		25,250	
	67,797	37,510	67,797	37,510
Movement of Deferred income-prepaid - NICTBB				
Opening balance of Deferred Income				
Prepaid NICTBB	29,345	•	29,345	
Movement during the period	(4,095)	(5.0	(4,095)	ž
Closing balance of Deferred Income				
Prepaid NICTBB	25,250	1986	25,250	11-

Analysis of current and noncurrent portion of deferred revenue:

Cui	rrent portion	9,085	5,026	9,085	5,026
No	n-current portion	58,712	32,484	58,712	32,484
		67,797	37,510	67,797	37,510
		Consoli	idation	Sepa	rate
33	RETIREMENT BENEFIT OBLIGATION	2024	2023	2024	2023
		TZS" mil	TZS" mil	TZS" mil	TZS" mil
	Retirement benefit payable	8,328	6,818	8,328	6,818
	(a) Changes in the obligations				
	Opening balance	6,818	6,632	6,818	6,632
	Charge to profit or loss				
	Current service cost	605	58	605	58
	Interest cost (discount unwinding)	682	569	682	569
		1,287	627	1,287	627
	Charge/(credit) to other comprehensive income				
	Net actuarial Loss (Gain) - due to experience	521	501	521	501
	Net actuarial Loss / (Gain) - due to	321	301	321	301
	changes in assumptions	1,510	(a)	1,510	28
		2,031	501	2,031	501
	Benefits paid during the year	(1,808)	(942)	(1,808)	(942)
	Closing balance	8,328	6,818	8,328	6,818

The Corporation operates an unfunded non-contributory employee gratuity arrangement (the "Arrangement"), which provides a benefit equal to nine months' salary plus passage allowance for employees with 10 or more years' service on their retirement at the age of 60 years. The arrangement qualifies as a defined benefits plan. As the Arrangement is unfunded, benefits are paid out of the Corporation's internal cash reserves. Employees are not eligible to receive the benefit on cessation of employment for reasons other than retirement or death in service. The Corporation provides for normal retirement age of 60 years with voluntary retirement at the age of 55 years. The amounts recognized in the statement of financial position are determined as follows:

	Consol	idation	Sep	arate
	2024	2023	2024	2023
	TZS" mil	TZS" mil	TZS" mil	TZS" mil
Present value of unfunded obligations	6,818	6,632	6,818	6,632
Unrecognized actuarial Loss (Gain)	1,510	186	1,510	186
Closing balance	8,328	6,818	8,328	6,818
Closing balance	0,520	0,0.0	0,020	3,0.0
(b) Principal assumptions used The principle actuarial assumptions used were as follows:				
	Consol	idation	Sep	arate
	2024	2023	2024	2023
Discount rate (% p.a.)	12.29%	10.00%	12.29%	10.00%
Future salary increases (% p.a)	4.50%	4.50%	4.50%	4.50%
Mortality (pre-retirement)	KE0710	KE0710	KE0710	KE0710
Retirement age (years)	60	60	60	60
, , , , , , , , , , , , , , , , , , , ,				
(c) Number of employees				
Opening balance	1,213	1,281	1,213	1,281
New entrants	19	31	19	31
Withdrawals	(9)	(15)	(9)	(15)
Death	(5)	(7)	(5)	(7)
Retirement	(89)	(77)	(89)	(77)
Omissions in previous periods		147	-	` '
Closing balance	1,129	1,213	1,129	1,213
	,	,	,	•
A quantitative sensitivity analysis for signi 2024 is, as shown below:	ficant assur	nption as a	t 30th June	
Significant actuarial assumptions				
Discount rate at 30 June	0.101	0.105	0.101	0.11
Future annual salary increases	0.045	0.05	0.045	0.05
Interest/inflation rate	0.035	0.04	0.035	0.04
Retirement age	60 years	60 years	60 years	60 years
Sensitivity analysis The assumptions with the greatest impact on the results are:				
Discount rate:				
0.5% increase	685	572	685	572
0.5% decrease	679	566	679	566
Future salary increases:				- ·-
0.5% increase	1817	947	1817	947

0.5% decrease 1799 937 1799 937

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The following payments are expected contributions to the defined benefit plan in future years:

Within the next 12 months (next				
annual reporting period)	1,808	942	1,808	942
Between 2 and 5 years	7,233	3,768	7,233	3,768
Between 5 and 10 years	9,042	4,710	9,042	4,710
Beyond 10 years	18,084	9,420	18,084	9,420
Total expected payments	36,167	18,840	36,167	18,840

The average duration of the retirement benefit obligation at the end of the reporting period is 43 years (2023: 45.4years).

Retirement benefits reserve

This comprises of the retirement benefits obligation net re-measurement gains or losses including actuarial gains and losses which are recognized directly to this reserve through OCI in the period in which they occur. The reserve is not distributable to the members.

34 TRADE AND OTHER PAYABLES	Consolidation			Separate
	2024	2023	2024	2023
	TZS" mil	TZS" mil	TZS" mil	TZS" mil
Trade payables	208,076	154,290	208,076	154,290
International trade payables	54	54	54	54
Interconnect payables	851	878	851	878
Related party payables	60	10,978	289	11,162
Social security costs	395	181	395	181
Excise Duty and Service Levy Payable	7,406	6,436	7,403	6,432
Value Added Tax (VAT)	21, 44 8	32,306	21,398	32,269
Regulatory costs	4,869	4,230	4,869	4,230
Suppliers' retentions	4,346	2,095	4,346	2,095
Dividend payable	503	503	503	503
NICTBB payable	-	57,650	: = :	57,650
Other payables	1,165	2,565	312	2,423
Tax assessment Liability	62,485	64,897	62,485	64,897
Income Tax payable	1,174	2,614	1,164	2,599

	312,832	339,677	312,145	339,663
	•			
*Transfer from Legal to Tax assessment				

During the financial year 2022/23, TTCL transferred TZS 3.9 billion from Provision for Litigation to Trade and Other Payables. The amount was relating to Tax cases which were removed from Tax

35 PROVISIONS

Appeal Tribunal.

liability

Legal claims Opening balance Additions during the year Transfer to Tax assessment liability Closing balance	485 86 - 571	3,974 438 (3,927) 485	485 86 - 571	3,974 438 (3,927) 485
Asset Retirement Obligation				
Opening balance	1,609	5,064	1,609	5,064
Impact of change in estimates	(150)	(3,455)	(150)	(3,455)
Closing balance	1,459	1,609	1,459	1,609

The provision for legal claims relates to costs and legal claims where professional advice indicates that it is probable that the Corporation will incur loss in settling pending legal cases.

The provision for Asset Retirement Obligation relates to the estimated cost of dismantling network assets at the end of their useful lives.

36 RELATED PARTY TRANSACTIONS

During the year and as at year-end, the Corporation had transactions and balances with organization that is defined under IAS 24, "Related Party Disclosures" as related parties. The related party relationship arises from common shareholding.

The following transactions were carried out with related parties during the year:

	Consolidated	Consolidated	Separate	Separate
	2024	2023	2024	2023
	TZS" mil	TZS" mil		TZS" mil
Sale of services				
TTCL PESA Limited	w:	74	*	*

Sales to related party were carried out on commercial terms and conditions as per contractual obligations.

	Consolidated	Consolidated	Separate	Separate
	2024	2023	2024	2023
	TZS" mil	TZS" mil		TZS" mil
Purchase of services				
TTCL PESA Limited	æ	₩	784	609
	(a)	¥	784	609

The purchases from related party were carried out on commercial terms and conditions as per contractual obligations. The purchases from TTCL PESA Limited predominantly comprise of purchases of service to transfer Electronic Value (e-value) to TTCL staff during payments of transport and other allowances, disbursement of salary to TTCL staff.

Directors' fees and expenses

The Corporation incurred expenses for the services provided by the Board of Directors in the form of fees and expenses (sitting allowances), as summarized below:

	Consolidated 2024	Consolidation 2023	Separate 2024	Separate 2023
Name of director	TZS" mil	TZS" mil	TZS" mil	TZS" mil
Zuhura S.Muro	17	18	17	18
Richard M. Mayongela	13	10	13	10
Nkoba Eliezer Mabula	11	10	11	10
Mwamini Tully	2	4	2	4
Onorius John Njole	10	10	10	10
Rajab Uweje Yakoub	16	10	16	10
Andulile Mwakalyelya	5.50	2	5	2
Edward Mallango	-	8	-	8
Method Kamugisha	10	**	10	14
Agatha Keenja	1	2	1	2
Brig.Gen. Omari H.Majani	(#)E	2	-	2
Brig.Gen. Method Matunda	7	5	7	5
Mtumwa Said Sandal	13	3	13	3
Brig. Gen. Ramadhani Addul Kimweri	6	12	-	
Maduhu Isaac Kazi	5	10	¥	·
Mary Kinabo	10	10	-	
Deogratius Charles Kwiyuka	5	10	Ħ	V=:
Irene M. Mlola	5	#	¥	2.€
Anselm Missango	5	ē	<u></u>	
Salum Awadh	5	-	-	6 = 3
	141	126	100	84

The fees paid to the directors are TZS 12,000,000 for Chairperson and TZS 10,000,000 per Director annually. The balance of the amount reported above relates to director's expenses. Some of the Board Members were co-opted to serve specific Committees of the Board.

Remuneration of key management personnel

Key management personnel are described as those persons having authority and responsibility for planning, directing, and controlling the activities of the Corporation, directly or indirectly, including the Director General of the Corporation.

	Consolidated	Consolidation	Separate	Separate		
	2024	2023	2024	2023		
	TZS" mil	TZS" mil	TZS" mil	TZS" mil		
Salaries and wages	920	917	754	936		
Social security contributions	111	147	84	119		
•	1,031	1,064	838	1,055		
The following balances were due to/from related parties as at year-end: Payables to related party						
T-PESA Company Limited	2.5	=	229	184		
		.5	229	184		
Receivables from related party						
TTCL PESA Limited	•	* <u>#</u>	-			
	·			_		

37 COMMITMENTS

Capital commitments

Capital expenditure contracted for at the year-end but not recognized in the financial statements are as follows:

Property and equipment	40,295	5,938	40,295	5,938

The capital commitments will be financed by both borrowing facilities and the Corporation's internal resources.

CAPITAL MANAGEMENT

Total borrowings Less: Cash and cash equivalents Net debt	(22,203) (22,203)	(23,352) (23,352)	(21,488) (21,488)	(22,451) (22,451)
Total equity	548,048	172,757	550,803	174,792
Total capital	525,845	149,405	529,315	152,341

Gearing ratio n/a n/a n/a

*The Corporation had no debt as at 30 June 2024 and 30 June 2023.

The Corporation has no externally imposed capital requirements.

38. Leases Agreement - International access

The Corporation maintains the following international and local interconnection services under lease agreements:

(i) SEACOM LTD

TTCL corporation has multiple Lease Agreement ongoing contracts with SEACOM ltd. The contracts are summarized below;

- a) SEACOM submarine cable provides sea optical fibre link between TTCL Corporation interconnects with international administrations for a period of twenty years with effect from June 2009. TTCL Corporation pays charges for lease optical submarine fibre cable services as follows:
 - Lease of USD 11,560,000 for 20 years. The amount was due and paid-up front; and
 - Operation and maintenance charges of USD 346,800 per year paid quarterly
- b) Another contract was entered into in 2022 for a period of 10 years effective from 30 May 2022. TTCL Corporation pays charges for IP Capacity services as follows:
 - Lease of USD 500,000 for 10 years. The amount was due and paid-up front.
 - Operation and maintenance charges of USD 15000 will be charged annually and is due and paid quarterly in advance.
- c) Another contract was entered into in 2015 for a period of 10 years effective from July 2015. TTCL Corporation pays charges for Capacity and IP transit services as follows:
 - Lease of USD 1,900,000 for 10 years the amount was due and paid up front

39. (A) CONTINGENT LIABILITIES

(i) Corporation tax

Tanzania Revenue Authority (TRA) TAX appeal No. 25 and 26 of 2009

The appeal is in respect of corporate tax assessment for 2001 and 2002. The amounts involved in the claim are TZS 6,288,419,104 and TZS 2,200,816,497 being demand for payment of corporation tax for 2001 and 2002 respectively.

Tanzania Revenue Authority (TRA) TAX appeal No. 53, 54 and 55 of 2009

The appeal is in respect of corporate tax assessment for 2003, 2004 and 2005. The amounts involved in the claim are TZS 3,926,044,099, TZS 1,448,184,338 and TZS 522,213,117 being demand for payment for tax appeal 53, 54 and 55 respectively.

(ii) Indirect taxes

The Corporation has been subjected to frequent tax audits on PAYE tax, Value Added Tax and withholding tax since March 2003. In 2006, TRA issued a demand notice for withholding tax of TZS 1.6 billion in respect of payments made to Intelsat. TTCL filed an objection to the TRA demand which has not yet been finalized.

TRA issued other indirect tax assessments amounting to TZS 773 million in respect to various taxes and levies (i.e. withholding tax, skills and development levy, and value added tax) for the period 2009 to December 2011. The Corporation has filed an objection against these assessments and shall pursue the due legal process to resolve these matters.

On 4 March 2015, TRA issued a demand note to TTCL requesting payment of withholding tax for payments made on roaming costs for the year of income 2011 to 2014 amounting to TZS 725,850,000 as per section 69 (h) of the Income Tax Act of 2004 and its amendments of 2011, which states that "payments received by a person who conducts a business of transmitting messages by cable, radio, optical fiber or satellite or electronic communication in respect of the transmission of messages by apparatus established in the United Republic, whether or not such messages originate in the United Republic" must be taxable until when such provision is amended. On 24 April 2015, the Corporation submitted a letter of objection to the Tax Revenue Appeals Board through appeal no; 95/2005 and the matter is pending hearing.

During the Tax Audit of 2015 - 2017, TRA issued indirect tax assessment amounting to TZS 19,339,817,447.31 with respect to excise duty for three (3) years. TTCL Corporation provided objection against this tax. The Corporation made a payment of TZS 3,223,302,907.88 as lesser amount as objection consideration

(B) LITIGATIONS

As at 30 June 2024, the Corporation was a defendant in several lawsuits. While liability in these lawsuits is not admitted then appropriate provision has been done in TTCL Books of the Accounts.

SN.	DESCRIPTION	TZS	FINANCIAL STATUS & CHANCES OF TTCL TO WIN THE CASE
1	TTCL VS Redio Kija (High Court)	16,000,000	HIGH
2	TTCL VS Justus Tihairwa	289,000,000	MEDIUM
3	TTCL VS Boniface Mjengwa & 13 Others	617,000,000	MEDIUM
4	TTCL VS Citi Bank	28,600,000,000	MEDIUM
	TOTAL	29,522,000,000	

40. ULTIMATE CONTROLLING ENTITY

The Corporation is controlled 100% by the Government of the United Republic of Tanzania through the Office of Treasury Registrar.

		Consolidated		Separate	
		2024	2023	2024	2023
41	INVESTMENT IN TTCL PESA	TZS" mil	TZS" mil	TZS" mil	TZS" mil
	Capital to subsidiary	æ	₹.	4,384	3,867
	Addition Investment		-	857	517
	TOTAL	i a		5,241	4,384

Total investment to TTCL PESA

The Corporation established TTCL PESA Company Limited as a subsidiary dealing with mobile money business on 4th July 2017. The subsidiary was established under the Company Act 2002 and it is full independent with its own Board, Management and Employees. The subsidiary company is governed by the Bank of Tanzania under National Payment Systems Act 2015 and its regulations.

		Consolidated		Separ	ate
42	GRANTS	2024	2023	2024	2023
		TZS" mil	TZS" mil	TZS'' mil	TZS" mil
	Opening balance				
	Government Grants	33,666	35,032	33,666	35,032

Customer Funded Projects	525	4,413	525	4,413
	34,191	39,445	34,191	39,445
Restatement				
Government Grants	=	(5,418)		(5,418)
Customer Funded Projects	=	i.	:	.
	€	(5,418)	-	(5,418)
Restated Opening balance	34,191	34,027	34,191	34,027
Amount received during the year				
Government Grants	91,195	2,602	91,195	2,602
Customer Funded Projects	2,365	1,908	2,365	1,908
Total Amount Received	93,560	4,510	93,560	4,510
Amortization	(3,679)	(4,346)	(3,679)	(4,346)
Transfer to Receivable	(232)	Ų.	(232)	5
	89,649	164	89,649	164
Closing balance	123,840	34,191	123,840	34,191
Government Grants	118,914	31,079	118,914	31,079
Customer Funded Projects Total	4,926 123,840	•	4,926 123,840	3,112 34,191

TTCL receives Grants from both Government entities and other entities in order to finance its capital expenditures. During the year under review the amount of Grants received is TZS 93.56 Billion as compared to TZS 4.51 Billion received in the financial year 2022/23. Large part of this fund is received from the Government in order to finance expansion of NICTBB Infrastructures and rural telecommunications development

		Consolidated		Separate	
		2024	2023	2024	2023
43	REVALUATION RESERVE	TZS" mil	TZS" mil	TZS" mil	TZS" mil
	At start of the year	205,318	199,338	205,318	199,338
	Prior year adjustment	-	5,980	-	5,980
	At end of the year	205,318	205,318	205,318	205,318

TTCL Corporation conducted valuation of its telecom projects valued TZS 9.387 Billion in the financial year of 2023/24.

		Consoli	dated	Sepai	rate
		2024	2023	2024	2023
44	ACCUMULATED LOSSES	TZS" mil	TZS" mil	TZS" mil	TZS" mil
	At start of the year	(356,609)	(340,231)	(354,574)	(338, 548)
	Prior year adjustments	-	(12,208)	-	(12,208)
	Dividend paid	*	ne:	*	790
	Profit for the year	(26,470)	(4,169)	(25,750)	(3,816)
	Accumulated profit from NICTBB	43,674	A.S.	43,674	9
	OCI	¥	44	2	523
	Accumulated profit from NIDC	3,199		3,199	
	At end of the year	(336,206)	(356,608)	(333,451)	(354,572)
		Consoli	dated	Sepai	rate
		2024	2023	2024	2023
45	DEFERRED ASSET	TZS" mil	TZS" mil	TZS" mil	TZS" mil
	Deferred asset - NICTBB IRU	3,082	-	3,082	-
		3,082	-	3,082	-
	Analysis of current and noncurrent portion revenue:	on of deferred			
	Current portion	413		413	5 <u>2</u> 6
	Non-current portion	2,669	:21	2,669	:-
	·	3,082	(144)	3,082	72
		Consoli	dated	Sepai	rate
		2024	2023	2024	2023
46	ADVANCE TOWARDS SHARE CAPITAL	TZS" mil	TZS" mil	TZS" mil	TZS" mil
	Additional capital from NICTBB	255,204	-	255,204	-
	Additional capital from NIDC	101,717	1-	101,717	-
		356,921	-	356,921	-

47. PRIOR YEAR ADJUSTMENTS

of Assets, Liabilities and Equity. Therefore, Management has decided to restate Financial Statements retrospectively as per IAS 8 During financial year ended 30 June 2024, TTCL Corporation have discovered errors on current year opening balances in line items Requirements. The effect of the restatement on TTCL financial statements are as summarized below: -

Restatement on Statement of Comprehensive Income for the year ended June 2022/23

	REST	RESTATEMENT P&L	&L 2022/23				
	As Previous Stated		Adjustment			Restated	Remarks
	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate	
	TZS" mil	TZS" mil	TZS" mil	TZS" mil	TZS" mil	TZS" mil	
Revenue	149,243	148,580	45	45	149,288	148,625	The amount was previously treated as
							grant instead of revenue.
							Costs were estimated
Cost of sales	-74,736	-74,746	1,697	1,697	-73,039	-73,049	higher than the actual invoices which were
							received after year ends.
Gross profit	74,507	73,834	1,742	1,742	76,249	75,576	N/A
							mount relating
Other income	23,814	23,829	-852	-852	22,962	22,977	
							year but now rectified
Net operating revenue	98,321	97,663	1,211	1,211	99,211	98,553	N/A
Operating expenses							
Sales and marketing expenses	-14,593	-14,238	-12	-12	-14,605	-14,250	Some of sales and marketing costs were

							understated in the previous year but now corrected.
6							
Network operational costs	-42,451	-42,269	-404	-404	-42,855	-42,673	The amount was previously treated as part of project costs but later realized that they are normal operational costs.
General and Administrative expenses	-44,002	-43,536	-3,774	-3,774	-47,776	-47,310	Recognition of additional costs relating to taxes -47,310 charges raised after Tax Audit of 2022/23
Operating profit/(loss)	-2,725	-2,380	-3,300	-3,300	-6,025	-5,680	N/A
Finance Costs	-391	-391	36	36	-355	-355	This amount was relating to effect of exchange rate differences on the interest on loan treated as finance costs

Restatement on Statement of Financial Position for the year ended June 2022/23

Remarks							
30th June,				Separate		TZS" mil	
Balance as at 30th June, Remarks	2023		Restated	Consolid Separate Consoli Separate Consolid Separa Consolidated Separate		TZS" mil	
			nt	Separa	te	LZS	mil
			Adjustment	Consolid	ated	TZS" mil TZS" mil TZS"	
t During				Separate		TZS" mil	
Movemen	the FY	2022		Consoli	dated	SZ_L	mil
Balance as at 01 July Movement			Amount	Separate		TZS" mil TZS" mil TZS"	
Balance as	2022		Restated Amount	Consolid	ated	TZS" mil	

ASSETS									
Non-current assets	3405								
Property, plant and equipment	337,228	337,219	15,829	15,828	10	10	353,067	353,057	Effect of depreciation charges on overstated cost of motor vehicles given by the Government.
Intangible assets	5,122	5,122	4,264	4,264	31	31	9,417	9,417	Additional intangible assets as per invoice number 27238 which was realised during closure of projects.
Cash and bank balances	43,983	42,847	-20,507	-20,272	-124	-124	23,352	22,451	Correction of cash transactions which were wrongly posted in the General Ledger.
Inventories	3,767	3,767	1,828	1,828	വ	വ	5,600	5,600	Recording of cost of inventories which was previously over issued in the projects.
Trade and other receivables	55,454	54,324	11,398	11,048	-123	-123	66,729	65,249	Recording of receipts to reduce accounts receivables and retirement of staff imprest.
Government trade receivables	68,332	68,342	15,119	15,126	-371	-371	83,080	83,097	Recording of receipts to reduce accounts receivables.
Prepayments and deposits	4,179	4,179	210	210	-388	-388	4,001	4,001	Transfer of the amount paid in advance to projects at the time of closure of projects exercise.
Total Current liabilities					096-	096-			
Trade and other payables	301,535	301,460	39,780	39,841	-1,638	-1,638	339,677	339,663	Correction made into payable accounts relating to Colocation costs which were previously recognized higher than actual invoices.

Free Grants	34.027	34.027 209		209	-45	-45	34 191	34 191	This amount was wrongly recorded as
					<u>)</u>			-	free grants instead of being recorded as revenue.
Equity									
Accumulated	-352,439	352,439 -350,756 -7,095 -6.742	-7,095	-6.742	2,926	2,926	2,926 -356,608	-354,572	-354,572 Recognition of loss after
losses									restatement.

Restatement on Statement of Financial Position for the year ended June 2021/22

	Bal as at 30 June 2022	e 2022			Balance as at 1 July 2022	July 2022	Remarks
	As Previous Stated	pe	Adjustment		Restated		
	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate	
ASSETS	TZS" mil	TZS" mil	TZS" mil	TZS" mil	TZS" mil	TZS" mil	
Non-current assets							
Property, plant	331,321	331,313	5,907	5,906	337,228	337,219	Effect of valuation of
and equipment							projects with Negative balance.
Intangible assets	5,121	5,121	-		5,122	5,122	Posting of additional
							intangible asset.
Inventories	3,757	3,757	10	10	3,767	3,767	Recording of costs relating
							to inventory which was
							previously recorded as part
							of project cost.
Trade and other	54,729	53,599	725	725	55,454	54,324	Recording of customers
receivables							invoices.
Cash and bank	44,129	42,993	-146	-146	43,983	42,847	Recording of cash and bank
balances							transactions which were
							wrongly posted in the
							General Ledger.
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Equity					I.S.		¥
Accumulated	-340,231	-338,548	-12,208	-12,208	-352,439	-350,756	Effect of additional loss
losses							after restatement.
Revaluation	199,338	199,338	5,980	5,980	205,318	205,318	Effect of valuation of
Reserves							projects with Negative
							balance.
Grants	39,445	39,445	-5,418	-5,418	34,027	34,027	Amortization of free grants
							and customer funded
							projects.
Trade and other	283,395	283,320	18,140	18,140	301,535	301,460	Recording of tax liability as
payables							a result of Tax Audit and
							other payable transactions
							after creditors
							reconciliation.

48: CASHFLOW RECONCILIATION

AR/PAD/TTCL/2023/24

135

(1,808) (942) (2,055) (1,123)	3 3	3,899 9,974	3,899 9,974	3,899 9,974
(942) (1,123)	9	9,231	9,231	9,231
(1,808) (2,055)	9	2,857	2,857	2,857
Retirement benefits obligations paid Cash paid Other Expenses	Current income tax paid	Net cash flows from operating activities	Net cash flows from operating activities - SOCF(D)	Net cash flows from operating activities SOCF(IN)