



**THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE**



TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
CONSOLIDATED AND SEPARATE FINANCIAL AND COMPLIANCE AUDIT
FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025**

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March 2026

AR/ PA/TTCL/2024/25

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.

NAOT Vision, Mission & Motto

Vision
A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.

Mission
To provide high-quality audit services through modernization of functions that enhances accountability and transparency in the management of public resources.

Motto
Modernizing External Audit for Stronger Public Confidence



Core Values

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

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 value-adding ideas for the improvement of audit services.

Results-Oriented: We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.

Team Work Spirit: We value and work together with internal and external stakeholders.

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ABBREVIATIONS

4G	Fourth Generation
5G	Fifth Generation
AC	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	Fibre 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 Standards of Supreme Audit Institutions
KPI	Key Performance Indicators
LPO	Local Purchase Order
NBAA	National Board of Accountants and Auditors
NICTBB	National Information and Communications Technology Broadband Backbone
NIDC	National Internet Data Centre
OCI	Other Comprehensive Income
PAYE	Pay As You Earn
POS	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.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the consolidated financial statements of Tanzania Telecommunications Corporation (TTCL) and its subsidiary TTCL PESA Limited (together “the Group”), which comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in net assets/equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Tanzania Telecommunications Corporation and its subsidiary TTCL PESA Limited (together “the Group”) as at 30 June 2025, and its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standard (IFRS) as issued by the International Accounting Standards Board (IASB), and as required by the Public Finance Act, Cap. 348.

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 Tanzania Telecommunications Corporation 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, statement of Directors' responsibility, 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 International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), 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 benefits 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.

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 conducted a compliance audit on procurement of works, goods and services by Tanzania Telecommunications Corporation for the year ended 30 June 2025 as per the Public Procurement Act, 2023 the Public Procurement Regulations, 2024, and related directives. I examined each phase of the procurement life cycle, including advertising of tenders, evaluation of bids, award of contracts and contract management, to confirm that the entity issued competitive solicitations, applied approved evaluation criteria, secured authorizations before award and maintained complete transaction records.

Conclusion

Based on the audit procedures performed, I conclude that Tanzania Telecommunications Corporation complies, in all material respects, with the requirements of the Public Procurement laws of Tanzania.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I conducted a compliance audit on budget formulation and execution by Tanzania Telecommunications Corporation for the year ended 30 June 2025 as per the Budget Act, Cap. 439, and the Budget Guidelines issued by the Ministry of Finance. I reviewed budget submissions, approval memoranda, ledger entries and variance analyses to confirm that the entity prepared estimates in the prescribed format, obtained timely authorizations before incurring obligations, recorded transactions accurately and reported variances as required.

Conclusion

Based on the audit procedures performed, I conclude that Tanzania Telecommunications Corporation generally complies, in all material respects, with the requirements of the Budget Act and related Budget Guidelines.



Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania,
March 2026.



2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2025

2.1 INTRODUCTION

The Board of Directors of Tanzania Telecommunications Corporation, being those charged with governance, present this report alongside the audited financial statements for the year ended 30 June 2025, reflecting the results of TTCL's and its subsidiary's operations (together referred to as "the Group) and financial position. This report has been prepared by TCWG in compliance with the TFRS.

This report has been prepared in accordance with TFRS 1, as issued by NBAA, and which became effective on 1 January 2021.

The report is directed to primary Users and Other Stakeholders providing an analysis of the group's operation and a financial review, with a forward-looking perspective. It is designed to assist the primary Users and Other Stakeholders in evaluating the strategies adopted by the group and the potential for those strategies to create value in the short, medium, and long terms.

2.2 MISSION, VISION AND CORE VALUES

TTCL's mission, vision and core values as provided hereunder.

2.2.1 Mission

TTCL mission statement summarizes the Corporation's purpose of existence and how customers' expectation will be met. The Corporation's mission is:

"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)."

2.2.2 Vision

TTCL vision statement provides the outlook and direction of the Corporation to enable employee to undertake their responsibilities with a common purpose. The Corporation's vision is:

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

However, during the financial year 2024/25, TTCL revised its Strategic Plan and developed a new three-year plan covering the period 2025/26 to 2027/28. As part of this process, the Corporation has adopted new vision and mission statements as outlined below:

2.2.3 New Vision Statement

To be a leading and trusted provider for integrated digital and telecom solutions.

2.2.4 New Mission Statement

To provide reliable digital infrastructure, innovative customer-first service, and affordable future-ready digital solutions, all anchored in commercial sustainability.

2.2.5 Core Values

TTCL's core values serve the ethical framework within which the Corporation operates, they define its character and establish the standards by which the performance of its employees is assessed. These values reflect TTCL's commitment to its stakeholders. Therefore, in day-to-day operations, the Corporation's employees are guided by the following core values:

i. Integrity

We uphold and 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 centre 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.

2.3 NATURE OF OPERATIONS

Descriptions of the nature of operations

2.3.1 Legislative and regulatory environment

The key functions of the Corporation are clearly elaborated in Section 6 (1) of the Tanzania Telecommunications Corporation Act No. 12 of 2017 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.

2.3.2 The industry in which the Corporation Operates

TTCL operates under the Ministry of Communication and Information Technology. The Corporation conducts its operations in accordance with the telecommunications licences issued by the Tanzania Communications Regulatory Authority (TCRA) for all communication-related services and products. For mobile financial services, TTCL operates under a licence granted by the Bank of Tanzania (BOT).

The communication sector recognizes the importance of digital technology and continues to implement various initiatives to strengthen its role in the economy.

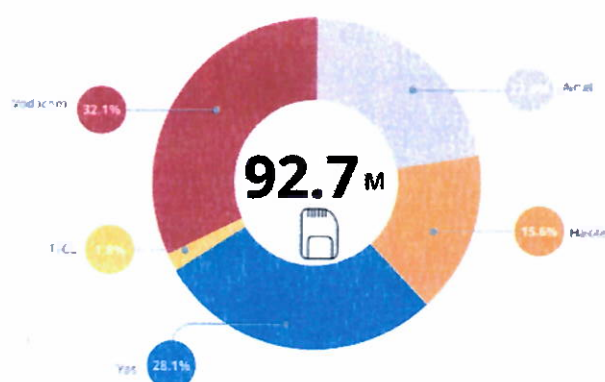
TTCL is currently the largest operator of fixed telecommunication network infrastructure in the sector, with a 47% market share, primarily through ownership of two critical digital infrastructures: The National ICT Broadband Backbone (NICTBB) and the National Internet Data Centre (NIDC). This positions the Corporation as a key player in the development of the country's digital economy, particularly through the provision of fixed communication services to corporate, wholesale, and retail customers.

Conversely, as at 30 June 2025, TTCL held a 1.8% market share in mobile business as per TCRA Communications Statistics Report for Quarter ending June 2025.

Month	Airtel	Halotel	Yas	TTCL	Vodacom	TOTAL
April	20,668,253	13,747,151	24,704,746	1,647,529	28,456,731	89,224,410
May	20,637,778	14,148,953	25,587,270	1,666,201	28,689,925	90,730,127
June	20,788,441	14,442,541	26,048,898	1,686,713	29,769,205	92,735,798

Vodacom had the larger market share of 32.1% followed by Yas 28.1% and Airtel 22.4% as shown in Chart 1.1.3.

Chart 1.1.3 Market share per Operator



Source: TCRA Communications Statistics Report for Quarter ending June 2025.

The Corporation continues to utilize internally generated funds, supplemented by external financing, to maintain and expand its fixed network, where it enjoys a competitive advantage over other operators. The strategic intention is to sustain its leadership position in the fixed business market.

2.3.3 TTCL PESA Limited

TTCL conducts its mobile money business through its subsidiary company, TTCL PESA Limited. The subsidiary was incorporated on 6 July 2017 with the primary objective, among others, of carrying out mobile commerce activities, including the issuance of electronic money, on behalf of the Corporation. TTCL Pesa Limited is majority owned by Tanzania Telecommunications Corporation, which holds 99% of the issued shares, while the remaining 1% is held by the Treasury Registrar.

The principal activity of the subsidiary company is the provision of mobile financial services through the TTCL PESA platform. TTCL PESA Limited supports financial inclusion by extending formal financial services to the unbanked population, enabling easy and convenient cashless electronic transactions. As at the end of June 2025, TTCL PESA Limited had a total customer base of 494,115, representing a 0.74% share of the mobile money market.

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;
- Send Money from one network to another (Interoperability service);
- Payment Solution through N-CARD that allows Customers to make various payments such as National and Regional Stadium sports tickets, Kigamboni-Ferry & Magufuli Bus Terminal;
- E-ticketing services for purchasing bus tickets services and Air tickets,
- Insurance Services.

2.3.4 Telecommunication Strategic Infrastructures.

TTCL owns and operates the Telecommunication’s strategic infrastructures, as outlined below.

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

TTCL owns the National ICT Broadband Backbone (NICTBB), which is the central hub for ICT infrastructure and solutions, thereby contributing to the transformation of the nation into a knowledge-based society and supporting the growth of the digital economy. Through this critical asset TTCL facilitates the implementation of key national initiatives, including e-government, e-health, e-commerce, and e-learning. These initiatives are integral to the country’s broader strategy for poverty reduction and the acceleration of socio-economic development.

Currently, the NICTBB network spans 14,038 kilometres, covering all regions of Tanzania and reaching 112 of the 139 districts. The network also extends to key border points with neighbouring countries, including Rwanda (Rusumo), Burundi (Kabanga and Manyovu), Malawi (Kasumulo), Uganda (Mutukula), Kenya (Namanga, Horohoro, and Sirari), Zambia (Tunduma), and Mozambique (Mtambaswala). This expansion underscores the Government’s commitment to enhancing regional connectivity and providing open access to international submarine optic fibre cables, including the new 2Africa Landing Station, alongside the existing EASSy and SEACOM Landing Cable Stations in Dar Es Salaam and also cable landing stations in Mombasa, Kenya.

The NICTBB is undergoing significant expansion through three key sub-phases. Notable progress has been made, with Phase III(2)(i) nearing completion (99%), Phase III(2)(ii) fully completed, and Phase III(2)(iii) at 76% completion. Additional projects under Phase III(2)(iv) and the DRC extension have also been initiated. The completion of these upgrades and expansions will ensure that the backbone can support the growing demand for ICT services across Tanzania and neighbouring regions, particularly the Democratic Republic of Congo (DRC).

ii. National Internet Data Centre (NIDC) Infrastructure

The NIDC is a state-of-the-art Tier-3 Data Centre connected to the NICTBB and international submarine cables (SEACOM, EASSy and 2Africa), making it a strategic hub for East Africa and beyond. The NIDC is among the largest data centres in East Africa, serving both local and international customers. The National Data Centre provides the following core 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, having designed and implemented various digital solutions. Among the systems developed are the e-RCS (Electronic Revenue Collection System), which acts as an enabler to enhance revenue collection for electronically driven companies, as well as the N-Card and electronic ticketing systems.

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

i. Products and Services

TTCL is the largest fixed telecommunications service provider in Tanzania, providing a comprehensive range of voice and broadband services to both retail and wholesale customers at national and international level. The Corporation also offers mobile services, including data and voice, across the country, and provides mobile financial services through its subsidiary, TTCL PESA Limited. The Corporation focuses on expanding its fixed business segment, particularly in the area of fibre connectivity through the FTTH initiative, 'Faiba Mlangoni Kwako'.

ii. Stakeholders

The main stakeholders of the Corporation include Employees, Government, Parliament, TCRA, BOT, OTR, TRA, Mobile Network Operators (MNOs), Internet Service Providers (ISPs), Customers, Suppliers, Financial Institutions, and the General Public.

iii. Business processes and distribution methods

The Corporation's main processes and distribution methods are designed to facilitate effectiveness and efficiency in business areas including service provisioning, service assurance, revenue assurance, project planning and implementation, procurement management as well as support services in order to achieve strategic objectives.

2.3.6 Structure of the TTCL's Operations

TTCL is governed by a Board of Directors, established under Section 7 of the Tanzania Telecommunications Corporation Act No. 12 of 2017. The Board is responsible for overseeing the functions of the Corporation as provided under Section 6 of the Act, and for managing all affairs of the Corporation.

The Board of Directors is the highest decision-making body of the Corporation. In accordance with Section 7(1) and (2) of the Tanzania Telecommunications Corporation Act No. 12 of 2017, the Board consists of a Chairperson, appointed by the President of the United Republic of Tanzania, and six (6) members appointed by the Minister responsible for Communication. The Board is required to meet at least four (4) times a year.

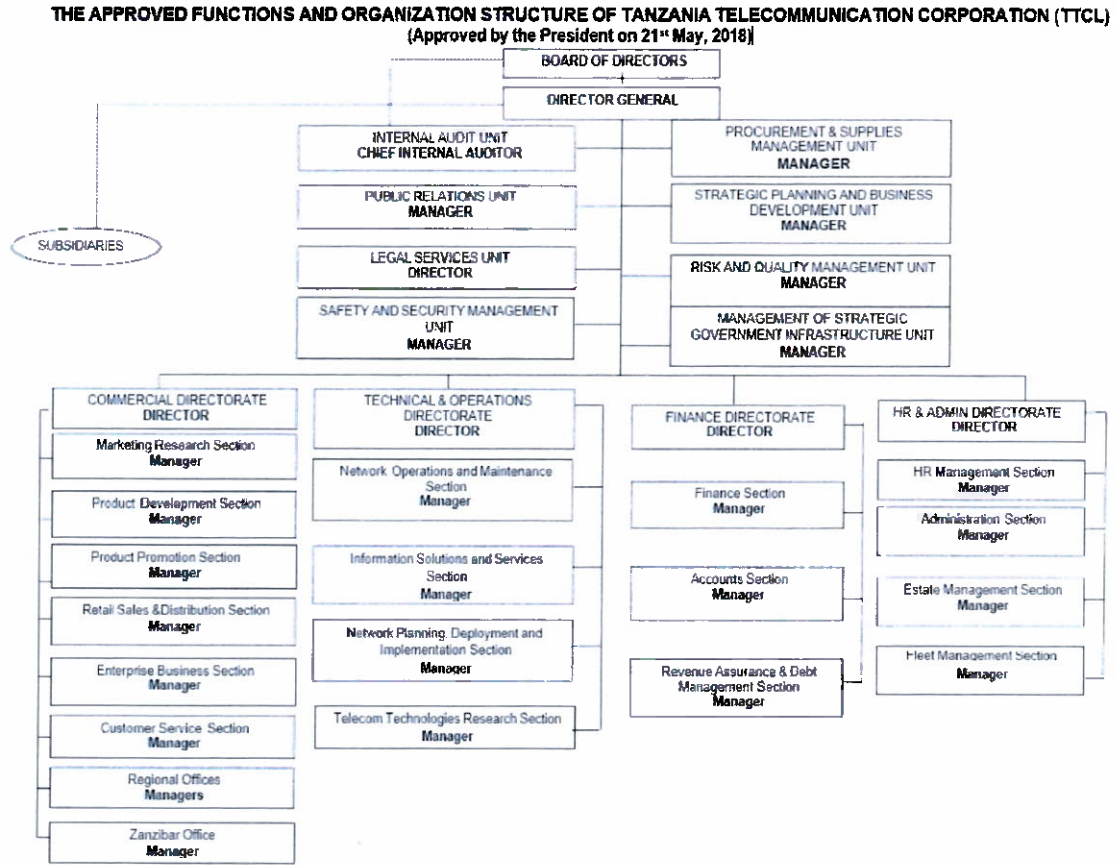
The Director General serves as the Secretary to the Board, in accordance with Section 15(1)(d) of the Tanzania Telecommunications Corporation Act No. 12 of 2017.

The management of the Corporation is vested in the Director General (DG). The Corporation's operations are organized into the following business units: Sales & Marketing, Technical & Operations, Finance, Legal, Internal Audit, Human Resources & Administration, Procurement & Supplies, Risk & Quality Management, and Safety & Security Management. The Director General is appointed by the President of the United Republic of Tanzania in accordance with Section 14 of the Tanzania Telecommunications Corporation Act No. 12 of 2017.

TTCL's Head Office is located at Extelecoms House, 32 Samora Avenue, P.O. Box 9070, 11104 Dar es Salaam. The Corporation operates across all regions and districts in Tanzania Mainland and Zanzibar

TTCL organization structure is shown under the figure below:

Figure 1: TTCL Organization Structure



2.3.7 Effectiveness and efficient utilization of resources

The Corporation utilizes both tangible and intangible resources to generate revenue and enhance profitability. During the financial year under review, TTCL relied on both Governmental funds and internally generated funds to invest in capital expenditures aimed at increasing revenue generation. However, these resources proved insufficient, and the Corporation is therefore exploring other external sources of financing to achieve its strategic objectives.

Human resources have been strengthened through targeted training programs based on knowledge and skills gap analyses, ensuring employees acquire the necessary competencies to perform their duties effectively. TTCL is supported by a well-composed Board of Directors, an effective management team, competent human resources, deployed telecommunications infrastructure, and documented internal operating procedures.

2.3.8 External Environment

Like any other organization, TTCL is influenced by its external environment. The following provides a summary of key external environmental factors that could impact the Corporation’s operations.

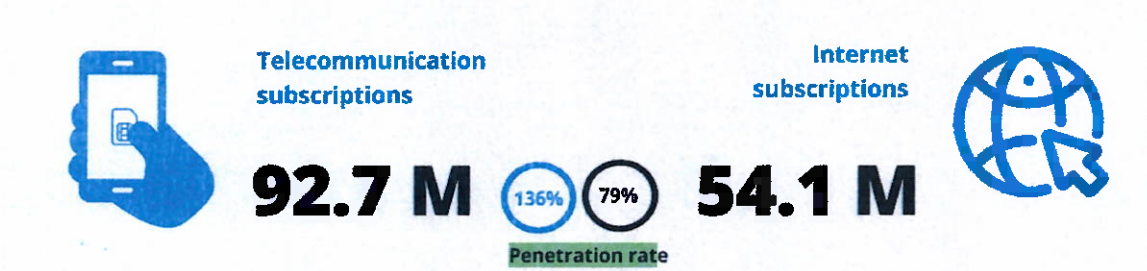
a) Market and Competition Position

The communication sector is at the forefront of driving Tanzania into the Fourth Industrial Revolution, a global wave of technological transformation. Leveraging advanced technologies such as drones, IoT, AI, and big data, the sector is harnessing digitized information to unlock new opportunities. With strategic plans in place, it is set to become even stronger, powering innovation and shaping Tanzania’s digital future.

TTCL leads the fixed data market with 47% market share. Driving its expansion in the fixed-line segment, TTCL is rapidly rolling out Fibre to the Home (FTTH) solutions, bringing ultra-fast, reliable fibre connectivity directly to homes, businesses, and institutions. This initiative positions TTCL at the forefront of delivering next-generation internet services across the country.

Tanzania’s mobile sector has achieved a 136% penetration rate with over 92.7 million subscribers nationwide. TTCL maintains a strategic presence with a 1.8% market share, serving approximately 1.7 million mobile customers and continuing to strengthen its footprint in the growing mobile market.

Communication Statistics Snapshot



Source: TCRA Communications Statistics Report for Quarter ending June 2025.

Tanzania’s mobile money market continues to be fiercely competitive, serving 68.1 million subscribers. TTCL, through its subsidiary, currently holds about one percent of the market share, reflecting its ongoing efforts to grow and capture a larger portion of this expanding digital financial landscape.

b) Legislation and Regulatory Environment

TTCL operates under the Tanzania Telecommunications Corporation Act, No. 12 of 2017, which defines its core functions and strategic mandate. The Corporation's overall operations and management are guided by the Public Corporations Act of 1992, ensuring strong governance and regulatory compliance as it drives Tanzania's telecommunications sector forward.

TTCL operates under the guidance of the Ministry of Communications and Information Technology, which sets policy for the country's communication sector. The Corporation delivers telecommunication services under a license from the Tanzania Communications Regulatory Authority (TCRA) and provides mobile financial services under a license from the Bank of Tanzania (BOT). Beyond national operations, TTCL actively engages regionally as a member of the Southern Africa Telecommunications Association (SATA) and East African Communications Organization (EACO) strengthening its role in the regional telecom landscape.

c) Macro and Micro Economic Conditions

The performance of the economy, driven by both macro and microeconomic conditions, directly influences TTCL's operational efficiency and long-term sustainability. Understanding these economic dynamics is key to strategic planning and ensuring the Corporation's continued growth.

In the financial year 2024/25, TTCL operated under a stable, single-digit inflation environment, which supported the Corporation's operational efficiency and enabled it to effectively deliver on its mandate.

However, during the same financial year, TTCL was significantly impacted by rapid fluctuations in exchange rates, which increased the cost of importing goods and services. The scarcity of foreign currency further hindered the Corporation's ability to smoothly implement certain projects, as many services and products are procured from abroad.

d) Market Forces

TTCL operates in a highly competitive telecommunications industry in Tanzania, which is divided into fixed and mobile segments. The Corporation is a key player in the fixed business, supported by its ownership and management of the National ICT Backbone Broadband (NICTBB) and its extensive fixed network infrastructure across the country. TTCL provides both retail and wholesale fixed services, holding a competitive advantage with more than 47% market share. TTCL continues to expand its network to capture more retail fixed customers and deliver superior telecommunication services, thereby maintaining and strengthening its market leadership.

Tanzania's mobile market is intensely competitive, dominated by private operators that control more than 98% of the market through heavy investments and aggressive growth strategies. TTCL currently holds a 1.8% market share, highlighting both the challenges faced and the significant opportunity to innovate, invest, and capture a stronger position in this fast-growing segment.

e) The speed and effect of technological change

The telecom industry is evolving rapidly, with 5G emerging as the next-generation standard, offering superior reliability and performance compared to 3G and 4G. For TTCL, this fast pace of change poses a risk, as market migration to 5G could happen before the Corporation fully capitalizes on its 4G investments. To address this challenge, TTCL is proactively safeguarding its future by securing network contracts that guarantee seamless upgrades, ensuring readiness for technological shifts and sustained competitiveness.

With strong Government support, TTCL is accelerating the upgrade of rural networks from 2G and 3G to 4G. This initiative expands high-speed connectivity to underserved areas, bridging the digital divide and promoting inclusive access to reliable telecommunication services across the country.

In the financial year 2024/25, TTCL continued strengthening its internal systems to ensure smooth and efficient operations. The implementation of the Enterprise Resource Management Suite (ERMS) through eGA is in progress, alongside the adoption of an e-office system to support day-to-day activities. TTCL also implemented direct integration between the Billing system and Government Electronic Payment Gateway (GePG).

Furthermore, TTCL adopted NeST (the National e-Procurement System of Tanzania), an electronic platform that facilitates procurement thereby strengthening transparency, efficiency, and accountability in TTCL's procurement processes.

TTCL is investing in capacity building by continuously training its technical and ICT staff. This initiative equips employees with the latest skills to keep pace with rapid technological advancements, ensuring the Corporation remains innovative, agile, and future-ready.

f) Societal issues

TTCL's overarching objective is to transform the Tanzanian population into a knowledge-based society by providing cost-effective telecom and ICT services and solutions that drive social and economic development. This initiative aims to lay the foundation for a thriving digital economy in Tanzania.

TTCL actively drives positive social impact through its Corporate Social Responsibility (CSR) initiatives, supporting key areas such as health, environmental conservation, education, orphanages, and sports. These programs reflect the Corporation's commitment to uplifting communities and fostering sustainable social development across Tanzania.

Despite TTCL's continued support, societal demands frequently surpass the approved annual budgets. Looking ahead, the Corporation intends to increase its CSR budget and strategically focus its efforts to maximize social impact, reinforcing its commitment to the welfare and development of communities across Tanzania.

g) Environmental Challenges

Climate change and unpredictable weather patterns pose critical risks to TTCL's connectivity infrastructure. Heavy rains, flooding, and other extreme events can disrupt core telecom nodes and expose the fiber network to damage. During the financial year under review, prolonged rainfall significantly affected TTCL's core networks, highlighting the urgent need for future-proofing.

To manage these risks, TTCL actively monitors weather developments and collaborates with the Tanzania Meteorological Authority (TMA), ensuring proactive measures to safeguard network resilience and maintain uninterrupted connectivity.

Energy costs remain a major challenge for TTCL, as telecommunications operations are highly power-intensive. This drives the need for innovative strategies to reduce energy consumption while minimizing environmental impact, particularly carbon dioxide emissions. The Corporation is implementing smart utility solutions and sustainable clean technologies (Solar Energy) to enhance energy efficiency, reduce costs, and support a greener telecom industry particularly in rural areas.

In the financial year 2024/25, TTCL embarked on a transformative journey toward becoming a paperless organization, reinforcing its commitment to environmental sustainability. The introduction of an e-office system and e-board eliminates paper files across all offices nationwide, while shared drinking water facilities reduce the use of individual bottles. These initiatives showcase TTCL's proactive approach to minimizing environmental impact and promoting greener workplace practices.

h) Political Environment

Tanzania's stable and peaceful political environment provides TTCL with the foundation to operate effectively and without political interference. The Corporation aligns its plans and budgets with the ruling party's manifesto, ensuring consistency with national priorities. In the financial year 2024/25, TTCL executed its mandate independently, with no political interference and no contributions made to any political party—reflecting its commitment to professionalism, neutrality, and national development.

i) Compliance with Laws and Regulations

The Corporation has continued to be a good corporate 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, Cap 306 (Revised Edition 2022);
- iii. The National Payment System Act, 2015
- iv. The Income Tax Act of 2023;
- 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 Labor Relation Act of 2004;
- xiii. The Public Service Act, Cap 298;
- xiv. Tanzania Investment Act Cap 38;
- xv. Budget Act, Cap 439 (RE 2020);
- xvi. The Public Finance Act Cap 348;
- xvii. The Public Corporations Act, Cap 257; and
- xviii. Personal Data Protection Act, 2022.

2.4 OBJECTIVES AND STRATEGIES

2.4.1 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 for the financial year 2024/25 were 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 targets which have been achieved by the Corporation during financial year 2024/25 which aligned with above strategic objectives include the following:

- i. Increasing sales of NICTBB capacity to national and international customers;
- ii. Increasing mobile coverage through roaming with Airtel and Honora as well as implementing of 95 4G LTE rural sites. This has improved TTCL visibility throughout the country; and
- iii. Connecting 19,638 FTTH customers during the financial year 2024/25 and reaching a cumulative FTTH customers base of 46,608 as at 30 June, 2025. In order to accelerate FTTH network rollout, TTCL is deploying point to multi point FTTH technology (GPON) aimed at achieving cost effectiveness and speed up time to market.

2.4.2 Strategies for Achieving Objectives

During the financial year ended 30 June, 2025; TTCL was operating under the five years' strategic plan (2022/23 - 2026/27) which had five (5) core strategic objectives as listed above and other two (2) cross cutting national strategic objectives including reduction of HIV/AIDS and Non-Communicable diseases and Effective Implementation of National Anti-Corruption Strategy. Each objective has its own strategies in order to be attained. All strategies are highlighted below:

2.4.3 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 cater 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.

2.4.4 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.

2.4.5 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.

2.4.6 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.

2.4.7 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.

2.4.8 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

2.4.9 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
- Nevertheless, during the financial year 2024/25, the Corporation reviewed its Strategic Plan (2022/23 - 2026/27) and developed a three (3) years Strategic Plan (2025/26 - 2027/28) to align with current and emerging business needs, ensuring relevance and responsiveness to the dynamic operating environment. The effective implementation of the new Strategic Plan starts in the financial year 2025/26 as elaborated in section twenty-nine (29) of this report.

2.4.10 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.

2.5 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.

2.6 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:

2.6.1 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 obtain 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 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 Business Support Systems

In the financial year 2024/25, TTCL initiated the development of 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 planned to replace ERMS with new ERP system and the tender for new ERP system will be advertised in Quarter 3 of financial year 2025/26.

Laws and Regulations

The Corporation uses Laws and Regulations as listed in section 2.2(i) above to discharge its functions.

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 to secure more funds from various sources.
- Maintain 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 circulars.
- Ensure full compliance with the laws and regulations governing TTCL operations.

2.6.2 Outputs

During the financial year 2024/25, the Corporation managed to obtain the following outputs.

- Expanded customer base of Fiber to the home (FTTH) service.
- Expanded Public WIFI services in various public areas such as Benjamin Mkapa National Stadium, University of Dar es Salaam.
- Reduced number of complaints from customers.
- Expanded and upgraded the National ICT Backbone Broadband infrastructure.
- Reduced number of voluntary labor turnover.

2.7 CURRENT PERFORMANCE

The Corporation's current performance is explained below:

2.7.1 TTCL Strategic Plan

During financial year 2024/25, the Corporation continued to implement Five (5) Years Strategic Plan 2022/23 - 2026/27 which has subsequently been revised as stated in section 3.2 above. 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 the 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 focused 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.

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 continued with its oversight function to make sure that these plans were effectively implemented.

2.7.2 Development Plan and Performance

In the financial year 2024/25, TTCL continued with its cost containment strategy in order to manage avoidable costs and improve its financial performance. The Corporation implemented several strategies to minimize operating costs including reducing co-located sites, re-negotiating roaming costs with Honora and Airtel to get reasonable prices, reducing commission and discount rates given to dealers.

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 improving revenue generation.

In addition, the Corporation continued with automation and modernization of its business operations to ensure rendered services satisfy and meet needs and expectations of its customers and other stakeholders. This includes upgrading of billing system, enhancing business support system through ERMS and adopting e-office and e-board systems 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 focused 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 and targets 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.

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

2.8 OPERATING AND FINANCIAL REVIEW

Operating and financial review provides a comprehensive review of the TTCL performance and financial position for the financial year 2024/25.

2.8.1 Significant Aspects of the Statement of Financial Performance

The following is an analysis of TTCL Corporation financial performance for the year ended 30 June 2025:

Operating revenue

The Group operating revenue during the period ended 30 June 2025 amounted to TZS 201,762 million compared to TZS 165,000 million in the prior year ended 30 June 2024 which represents an increase of TZS 36,762 million equivalent to 22%. The main reasons for the increase in operating revenue is the increase of Fixed data revenue by TZS 13,043 million Wholesale data by TZS 11,674 million and NICTBB revenue by TZS 9,839 million.

However, during the same financial year of 2024/25, there were other revenue streams recorded a decrease, Mobile revenue has decreased by TZS 1,031 million, sales of Devices & Terminals by TZS 71 million and fixed voice by TZS 139 million as compared to previous financial year. Management has noted and taken initiatives on areas where revenue has been decreased for example;

- Initiating Mobile business promotion campaign countrywide and introduce franchising of mobile distribution channels.
- Optimizing bundling of fixed data and voice.

Cost of sales

The Group cost of sales during the period of 2024/25 was TZS 51,052 million as compared to TZS 51,928 million for the prior financial year of 2023/24, this represents a decrease of TZS 876 million equivalent to 2%. There are no significant changes in this cost category.

With cost containment strategy, Management is closely monitoring costs of sales because it is directly related with revenue generation. Therefore, Management will continue negotiating better deals on all areas related to direct costs i.e., Commission payable to dealers; Ensure national roaming costs continue to be at the reasonable price per unit (Data, Voice and SMS), Co-location costs etc.

Gross profit

Gross profit margin (Group operating revenue less cost of sales) has increased from TZS 113,072 million in the financial year 2023/24 to TZS 150,710 million in the financial year 2024/25 which is an increase of TZS 37,638 million equivalent to 33%. The increase of gross profit was mainly resulted from an increase in operating revenue by TZS 36,762 million (22%) and decrease in costs of sales by TZS 876 million (2%).

Other income

Other income includes rental income, decrease in impairment of debtors and miscellaneous income. Other income has increased by TZS 8,118 million which represents 93%, other income has increased from TZS 8,730 million in the year 2023/24 to TZS 16,848 million in the year 2024/25. The increase was mainly caused by increase in Miscellaneous income by TZS 7,396 million, rental income by TZS 101 million, gain on disposal of motor vehicles by TZS 122 million and foreign exchange gain - realised by TZS 2,787 million. There are other areas that has recorded a decrease in other income category such as Decrease in Impairment for debtors by TZS 1,540 million and decrease in Amortization of Grant by TZS 439 million.

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 147,479 million in the financial year 2024/25 as compared to TZS 142,095 million in the prior year of 2023/24 which representing an increase of TZS 5,384 million (4%), this is mainly caused by increase in Sales and marketing expenses by TZS 2,290 million and increase of Network operational costs category under depreciation of telecom asset which has increased by TZS 12,296 million resulted from business combination between TTCL, NICTBB and NIDC. Furthermore, Management has implemented costs contained and control measures on operating expenses category which has resulted in decrease in General and administrative expenses by TZS 11,248 million from TZS 66,725 million 2023/24 to TZS 55,477 million 2024/25.

Finance income

This includes interest received from call account deposits. During the year 2024/25, finance income amounted to TZS 238 million was received as compared to TZS 520 million in the year 2023/24.

Finance costs

During the year 2024/25, finance costs incurred amounted to TZS 949 million as compared to costs of TZS 247 million in the year 2023/24; The increase of TZS 702 million is related to charges on Bank guarantee for the year 2024/25.

Profit / Loss after Tax

Generally, Group Performance indicates that; the Corporation has made a profit after tax TZS 15,522 million during the period ended 30 June 2025 as compared to a loss of TZS 62,092 million for the year ended 30 June 2024. The main reasons for improved performance is mainly caused by the increase of Operating Revenue of TZS 36,762 million which is 22% increase Year on Year growth.

Key Performance Ratios (KPR)

TTCL key performance ratios are shown under the table below:

Table 1: TTCL key performance ratios:

No.	Particulars	2024/25	2023/24
1.	Gross margin	75%	69%
2.	Earnings before interest, tax, depreciation and amortization (EBITDA)	34%	10%
3.	Earnings before interest and tax (EBIT)	10%	-12%
4.	Profit after tax (PAT) margin	8%	-38%

2.8.2 Analysis of Financial Position

a) Government trade receivables

The Government trade receivables has decreased by TZS 865 million which is a decrease of 3% as compared to the prior year. The Government Trade receivables has decreased from TZS 33,163 million in the financial year 2023/24 to TZS 32,298 million in the financial year 2024/25.

b) Trade and other receivables

Trade and other receivables increased by TZS 157,283 million, which is 300% increase as compared to prior year. Trade and other receivables have increased from TZS 52,460 million in the financial year 2023/24 to TZS 209,743 million in the financial year 2024/25. This increase is due to sales of Capacity services to MNO's.

c) Property, Plant and Equipment

Property, plant and equipment have increased by TZS 22,412 million which is equivalent to 2% increase from prior year. This asset category has increased from TZS 907,537 million in the financial year 2023/24 to TZS 929,947 million in the year 2024/25.

This increase is attributed to management's efforts in closing projects, resulting in the transfer from Work in Progress (WIP) to Fixed Assets.

d) Inventories

Inventories has increased by TZS 3,246 million (43%), this asset class is used in construction of various Telecommunications infrastructures. The asset category has increased from TZS 7,500 million in the financial year 2023/24 to TZS 10,746 million in the financial year 2024/25 due to management's efforts to procure materials for the implementation of telecommunications projects, such as FTTH (Fibre to the Home).

e) Investment property

This includes two investments 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 ended 30 June 2025 by an independent valuer, Trace Associate Limited. The investment property has increased in value by TZS 3,571 million (15%) from TZS 23,198 million 2023/24 to TZS 26,770 million 2024/25.

f) Cash and bank balances

Cash and bank balances has increased from TZS 22,203 million in the financial year 2023/24 to TZS 81,048 million in the year 2024/25. This is an increase of TZS 58,845 million which is equivalent to 265% as compared to prior year.

g) Income tax recoverable

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

h) Prepaid indefeasible right of use (IRU)

Pre-paid IRU decreased by TZS 1,258 million which is 24% decrease as compared to the prior year. IRU has decreased from TZS 5,154 million in the financial year 2023/24 to TZS 3,896 million in the financial year 2024/25. The decrease is resulted from periodic amortization of IRU from Asset account to expense account.

i) Accumulated losses

Accumulated loss has decreased from TZS 371,828 million 2023/24 to TZS 356,979 million 2024/25. The decrease in accumulated loss is resulted from profit recorded during the year.

j) Trade and other payable

Trade and other payable has decreased by TZS 80,536 million which is 26% decrease from the prior year. Trade and other payable has decreased from TZS 312,250 million in 2023/24 to TZS 231,714 million in 2024/25. The decrease is mainly caused by commitment of TTCL management to settle long outstanding payables and conversion of TZS 85,226 million TCRA payables to Government share capital.

k) Deferred revenue

Deferred revenue has increased by TZS 224,708 million which is 331% from TZS 67,797 million in the financial year 2023/24 to TZS 292,504 million in the financial year 2024/25. The increase in deferred revenue is the result business combination with NICTBB whereby TTCL was able to sale and recognise long term IRU's relating to NICTBB services.

l) Shareholders' Capital

TTCL shareholder's capital has increased from TZS 370,465 million from financial year 2023/24 to TZS 897,612 million financial year 2024/25. Shareholders capital has increased due to transfer of NICTBB and NIDC to TTCL Corporation and also Conversion of TCRA payables to Shareholder capital.

m) Shareholders' Equity

TTCL net shareholder's equity has increased from TZS 512,428 million in financial year 2023/24 to TZS 697,861 million in financial year 2024/25.

2.8.3 Enterprise Resource Management Suite (ERMS).

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

2.8.4 Budget Performance

The Corporation's final revenue budget for the financial year ended 30 June 2025 was TZS 222,670 million (30 June 2024: TZS 272,000 million) and the actual recognized revenues for the year was TZS 201,762 million (30 June 2024: TZS 165,000 million) which is TZS 20,908 million (30 June 2024: TZS 107,000 million) below the final budget, equivalent to under performance of 9% (30 June 2024: 39%) hence, a budget performance of 91%. 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 financing to facilitate development expenditures until the financial year 2024/25 ends.

Furthermore, the final approved recurrent expenditure (including depreciation) budget of the Corporation for the financial year ended 30 June 2025 was TZS 218,753 million (30 June 2024: TZS 187,000 million) and the actual expenditure was TZS 199,480 million (30 June 2024: TZS 194,270 million). The reasons for favorable cost performance in financial year under review by 9% (30 June 2024: -4%) is due to management efforts on costs control measures implemented by TTCL Management.

2.9 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 1,063 (30 June 2024: 1,129 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.

2.10 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 ensures 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

The Corporation's risk assessment process identified opportunities that would expectedly enhance the strategic plan execution as summarized below:

(i) Technological advancement and avenues for digitalizing processes and operations are opportunities for improving the Corporation's performance. This is possible through the use of telecommunications technologies, digital service platforms, Internet of Things (IoT), and artificial intelligence. The Corporation has the potential to enhance quality service delivery and increase revenue generation by taking advantage of new technologies to make transformative changes in its operations and processes, particularly in telecommunication networks and digital economy services.

(ii) A favourable legal setup and exclusive management on telecommunication services is another key opportunity. The Corporation has the potential to command a large market share, thereby increasing revenue generation due to the favourable legal setup being the public institution guaranteed by the Government in its undertaking, economic command building trust and good reputation. Furthermore, with an increase in the size of the population, economic growth levels within Eastern and Southern African countries, and the presence of neighbouring countries investing in digital services, the Corporation has the opportunity to increase its revenue and build financial sustainability by taking advantage of the growing demand for telecommunication services and digital infrastructure.

(iii) International and regional collaboration and agreements exist to promote telecommunications infrastructure and increase regional agreements and policies on telecommunication matters and related digital developments.

(iv) Another key opportunity is existing and potential foreign investment in the telecommunications sector to improve network operations and fast-track the adoption of digital technologies. The contract with global tech companies has already shown a promising increase in telecommunication service usage and provides competition to neighbouring country's digital networks. The existence of international partners will increase the Corporation's revenue through digital service offerings, internet data services, and improved connectivity, contributing significantly to the country's digital economy.

(v) Low broadband penetration in the market Despite the relatively low broadband penetration in the country, this presents a significant opportunity for TTCL to expand its high-speed internet services. With the NICTBB and NIDC, TTCL can improve and expand its broadband services, reaching underserved areas. This opportunity will help bridge the internet access gap, particularly in rural and remote areas, contributing to the growth of the digital economy in Tanzania and providing high-quality internet services to a broader customer base

(vi) Potential for fixed broadband growth, the potential for growth in fixed broadband services is substantial, and TTCL is well-positioned to meet this demand. With the NICTBB and NIDC, TTCL can expand its fibre-optic infrastructure to provide faster and more reliable internet services to homes and businesses. This will help the company attract new customers and retain existing ones, contributing to the overall success of its strategic plan by catering to the growing demand for fixed broadband, especially with the rise of remote work, online education, and digital content consumption.

(vii) Cross-border trade with landlocked countries. TTCL has a valuable opportunity to leverage the National Fibre Optic Backbone to offer communication and internet services to landlocked countries such as Uganda, Rwanda, and Burundi. As cross-border trade and regional integration increase, these countries will require robust communication infrastructure. TTCL can expand its services and offer connectivity solutions to businesses, government institutions, and individuals in these countries, increasing market share and building regional partnerships. This opportunity is vital for TTCL's regional growth, especially through the use of the National Fibre Optic Backbone.

(viii) Growing demand for large bandwidth applications. With the increasing demand for high-bandwidth applications like video conferencing, cloud services, and Internet of Things (IoT) solutions, TTCL has the opportunity to enhance its network infrastructure. By leveraging the NICTBB and the National Internet Data Center (NIDC), TTCL can provide high-speed and reliable services capable of supporting these bandwidth-heavy applications. Meeting the growing demand for digital services will ensure that TTCL remains competitive and able to deliver state-of-the-art services, contributing to the success of its strategic objectives.

(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.

2.11 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.

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

Table 2: TTCL Corporation Stakeholders' Relationship

Stakeholders	Their Interests / Concerns	Value we create
Government	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Transparent and fair procurement process of goods and services. • Receiving feedback on delivered goods and rendered services. • Timely settlement of suppliers' invoices. 	<ul style="list-style-type: none"> • Effective use of online procurement system (NeST); • Inclusion of fair terms and proper vetting of procurement contracts. • Settlement of suppliers' invoices on time.
Customers	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Transforming into an inclusive society through 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.

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

Stakeholders	Their Interests / Concerns	Value we create
Society	<ul style="list-style-type: none"> • Supporting social development programs organized by communities for socio-economic development where TTCL has offices. • Awareness on TTCL business functions and applicable legislation. • Compliance with environmental, social and governance matters. • Quality Services. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Quality Services. 	<ul style="list-style-type: none"> • Improved coverage and quality of Services.
Investors	<ul style="list-style-type: none"> • Timely and accurate information. • Timely and reliable Telecommunications services. • Transparency on services offered. • Improvement of Organizational performance. 	<ul style="list-style-type: none"> • 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.
Parliamentary Committees	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Provision of reliable information and reports regarding Corporation performance. • Ruling party manifesto implementation report. • Comply with all directives given by Parliamentary committees.

2.12 CAPITAL STRUCTURE AND TREASURY POLICIES

i. Capital Structure

The shareholding structure of the Corporation as at 30 June, 2025 is as follows:

Table 3: Capital Structure

Name of shareholder	2024/25	% Age	2024/25	Shares paid up TZS mill	% Age
	No. of Shares	Share Holding	No. of Shares		Share Holding
Government of the United Republic of Tanzania	897,611,621	100%	897,611,621	897,612	100%
Treasury Registrar	1	-	1	-	-
Total	897,611,621	100%	897,611,621	897,612	100%

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

ii. Business combination.

During the financial year 2024/25, 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 2025.

Table 4: Extract of Statement of Financial Position as at June 2025.

	Consolidated		Separate	
	2025	2024	2025	2024
	TZS" mil	TZS" mil	TZS" mil	TZS" mil
Non-current assets	973,623	949,566	979,167	954,800
Current assets	364,727	122,025	362,049	119,445
TOTAL ASSETS	1,338,350	1,071,591	1,341,216	1,074,245
Non-current liabilities	262,567	68,499	262,567	68,499
Current liabilities	377,922	490,664	375,838	490,652
TOTAL LIABILITIES	640,489	559,163	638,405	559,151
EQUITY	697,861	512,428	702,811	515,092
TOTAL EQUITY AND LIABILITIES	1,338,350	1,071,591	1,341,216	1,074,245

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).

2.13 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 inflow from operating activities of TZS 116,484million (June 2024: TZS 2,857 million), was derived as the difference between cash receipts amounting to TZS 262,538 million (June 2024: TZS 184,129 million) and payments amounting to TZS 146,054 million (June 2024: TZS 181,273 million).

(b) Cash Flows from Financing Activities.

The net cash inflows from financing activities of TZS 16,644 million (June 2024: TZS 107,034 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 74,281 million (June 2024: cash outflow of TZS 111,040 million), was derived from cash capital expenditures including acquisition of property, plant and equipment and acquisition of intangible assets.

2.14 LIQUIDITY

During the financial year ended 30 June 2025, The Corporation current ratio which measures the ability of current assets to meet short term obligations (current liabilities) was 1:1 (June 2024: 0.3:1). The current ratio of the Corporation has significantly improved, albeit there were still some liquidity challenges during financial year 2024/25. The Corporation continues with significant efforts to ensure liquidity position is improved to meet its liabilities when due, without incurring unacceptable losses to the Corporation’s reputation.

2.15 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
Expanded commercial undertaking	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

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Objective	Key Performance Indicators (KPIs)	Achievement
	Number of new active fibre connections to government institutions, private institutions & corporates	Very Good
	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
Improved public access to communication services	Number of fibre-connected to buildings and sites	Very Good
	Percentage of network availability	Very Good
	Population covered	Very Good
	Number of 4G/4.5G/5G sites deployed	Good
	Capacity utilization	Very Good
Improved financial management	Return on Capital Employed	Average
	Net profit margin	Good
	Current ratio	Average
	Age of Accounts Receivable	Average
	Age of Accounts Payable	Average
	Amount of Fund mobilized for investment (USD)	Not Good
	Network operating cost	Average
	Revenue growth rate	Average
	Total debt to Total Asset	Good
	Financial Pay-outs	Average
Improved customer Management	Retained collection	Average
	Cost recovery ratio	Average
	Average Abandonment Rate (Callers who hang up before reaching an agent)	Good
	Average response time in serving customers	Very Good
Improved internal process	Customer effort score	Good
	Percentage of customer complaints resolved on-time	Good
	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
	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	

2.16 CORPORATE GOVERNANCE MATTERS

2.16.1 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:

2.16.2 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 2025

S/N	Name	Position	Age	Qualification	Nationality	Date of Appointment/Terminated
1	CPA. David Carol Nchimbi	Board Chairman	51	Bsc. in Computer Science and Mathematics & CPA	Tanzanian	26.9.2024 for three years
2	Mr. Meshack Joram Anyingisye	Director	44	MSc. Economics	Tanzanian	26.11.2024 for three years
3	Mr. Onorius John Njole	Director	49	Master of Laws (LLM)	Tanzanian	26.11.2024 for three years
4	Mr. Khalfan Salim Suleiman	Director	54	MBA	Tanzanian	26.11.2024 for three years
5	Mr. Mohamed Ame Makame	Director	47	MSc. ICT	Tanzanian	26.11.2024 for three years
6	Prof. Saudin Jacob Mwakaje	Director	51	PhD (LLM)	Tanzanian	26.11.2024 for three years
7	Ms. Kapwete Leah John	Director	46	LLM	Tanzanian	26.11.2024 for three years

2.16.3 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
 - 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.

2.16.4 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 2025 was CPA Moremi Marwa. During the financial year 2024/25, the Board conducted Three (3) ordinary Board meetings and One (1) special Board meeting. Several issues were discussed by the Board; the following were key issues discussed and approved by the Board during the financial year ended 30 June 2025;

- i. Audited financial statements and annual report and Management Letter for the financial year 2023/24;

- ii. Mid-year Budget review for the financial year 2024/25 and revised Annual procurement plan for financial year 2024/25;
- iii. Budget for the financial year 2025/26;
- iv. Annual procurement plan (APP) for the financial year 2025/26; and
- v. Three Years Strategic Plan for 2025/26 - 2027/28.

2.16.5 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 three (3) 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. Senior Management Team (SMT) members are invited 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 2025, the AC conducted Three (3) ordinary meetings and Two (2) special meetings. The following were discussed and recommended for the Board Adoption and/or Approval;

- i. Internal Audit Annual Plan for the financial year 2025/26;
- ii. Internal Audit Activities reports for the financial year 2024/25;
- iii. Risk Management reports for the financial year 2024/25;
- iv. Safety and Security Activities report for the financial year 2024/25;
- v. Review of financial statements and appointment of External Auditors for the financial year 2024/25;
- vi. Implementation of Management letter for the financial year 2024/25;
- vii. Quarterly implementation reports of the Annual Procurement Plan for the financial year 2024/25.

The following were the members of the Committee for the financial year ended 30 June 2025.

Table 7: Members of the Committee (AC)

S/N	Name	Position	Qualification	Nationality	Appointment and end of term*
1	Mr. Meshack Joram Anyingisye	Chairperson	MSc. Economics	Tanzanian	Appointed from 10.01.2025 for three years
2	Prof. Saudin Jacob Mwakaje	Member	PhD (LLM)	Tanzanian	Appointed from 10.01.2025 for three years
3	Mr. Khalfan Salim Suleiman	Member	MBA	Tanzanian	Appointed from 10.01.2025 for three years
4.	Dr. Straton Makundi	Co-opted Member	CPA (T)	Tanzanian	Appointed from 15 January 2025 for three years.

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 committee conducted Three (3) Ordinary meetings during the year 2024/25. The following key issues were discussed and forwarded to the Board for Adoption and/or Approval:

- i. Human Resources and Administration performance reports
- ii. Legal, Regulatory and Cases updates,
- iii. Public Relations & Product Promotion performance reports.

The following were the members of the Committee for the financial year ended 30 June 2025.

Table 8: Members of the Committee (HRAC)

S/N	Name	Position	Qualification	Nationality	Appointment and end of term*
1.	Prof. Saudin Jacob Mwakaje	Chairperson	PhD (LLM)	Tanzanian	Appointed from 10.01.2025 for three years
2.	Ms. Kapwete Leah John	Director	LLM	Tanzanian	Appointed from 10.01.2025 for three years
3.	Mr. Khalfan Salim Suleiman	Director	MBA	Tanzanian	Appointed from 10.01.2025 for three years

c) Budget and Investment Committee (BIC)

The BIC deals with all matters relating to budget and investment of the Corporation. It is responsible for reviewing all budget and investment issues. The meetings included discussion of annual budget of the Corporation and implementation of various investment projects. The committee conducted Three (3) Ordinary meetings during the year 2024/25.

The following key issues were discussed and forwarded to the Board for Adoption and/or Approval:

- i. Investment projects reports,
- ii. Budget (Medium Term Expenditure Framework) implementation reports,
- iii. Approval of TTCL policies and guidelines.

The following were the members of the BIC for the financial year ended 30 June 2025.

Table 9 : Members of the Committee (BIC).

S/ N	Name	Position	Qualification	Nationality	Appointment and end of term*
1.	Mr. Onorius John Njole	Chairperson	Master of Laws (LLM)	Tanzanian	Appointed from 10.01.2025 for three years
2.	Mr. Mohamed Ame Makame	Member	MSc. ICT	Tanzanian	Appointed from 10.01.2025 for three years
3.	Mr. Meshack Joram Anyingisye	Member	MSc. Economics	Tanzanian	Appointed from 10.01.2025 for three years
4.	Mr. Martin Warioba	Co-opted member	MBA & Msc. Information Management	Tanzanian	Appointed from 15 January 2025 for three years.

2.17 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.

TTCL Senior Management Team (SMT) as at 30 June, 2025 include the following staff: -

Name	Position	Age	Year Joined the Corporation
CPA Moremi A. Marwa	Director General	48	2024
CPA Octavian B. Anthony	Chief Internal Auditor	52	2004
Eng. Cecil N. Francis	Director of Technical & Operations	51	2003
Mr. Vedastus W. Mwita	Director of Commercial	41	2017
Mr. Alex G. Biziriko	Director of Human Resources & Administrations	46	2006
CPA Happy Nzunda	Ag. General Manager - TTCL PESA Limited	36	2013
Ms. Anita Moshi	Director of Legal Services	48	2007
CPA Straton Matei	Ag. Director of Finance	41	2017

2.18 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 audited the book of accounts of Tanzania Telecommunications Corporation and its subsidiary for the year ended 30 June 2025

Address of the Auditor for the financial year, is below:

Controller and Auditor General
National Audit Office,
Ukaguzi House,
Mahakama Road, Tambukareli,
P.O. Box 950,
41104 Dodoma, Tanzania.
Tel: +255 (026) 2161200-9
Email: ocag@nao.go.tz
Website: www.nao.go.tz

2.19 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 consolidated financial statements 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).

2.20 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 2025.

2.21 DONATIONS TO VARIOUS INSTITUTIONS

i. Political Donations

The Corporation did not make any political donations during the year ended 30 June 2025.

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 30 June 2025 the Corporation spent TZS 27 million (30 June 2024: 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 2024/25 is provided under Table below:

Table 10: Donations to charitable and other institutions

SN	INSTITUTION	AMOUNT (TZS)
1	Tanzania Editors Forum	5,000,000
2	Ministry of Community Development, Gender, Women and Special Groups	5,000,000
3	Regional Commissioner Office - Singida	5,000,000
4	Regional Commissioner Office- Tanga	3,000,000
5	Lady in Red Promotion Company	2,000,000
6	Regional Commissioner Office - Pwani	2,000,000
7	Regional Commissioner Office- Katavi	1,000,000
8	Ofisi ya Makamu wa kwanza wa Rais Zanzibar (Pemba)	1,000,000
9	Member of Parliament's Office - Igunga	1,000,000
10	District Commissioner Office - Mafia	610,000
11	Christopher Patrick	500,000
12	District Commissioner Office- Songea	500,000
	TOTAL	26,610,000

2.22 EMPLOYEES' WELFARE

a) Management and employees' Relationship

A healthy relationship existed during the financial year between Management and employees who were represented by the Workers Union COTWU (T), TTCL Branch. A harmonious relationship was demonstrated during the Workers Council meetings, during which management interacted with COTWU (T) leaders and employees' representatives four times a year through Workers Negotiation Council. Generally, no unresolved complaints were received from the employees during the year.

During the financial year ended 30 June 2025, the Corporation recruited 2 new employees in order to fill the vacant positions which resulted from retirement, death, and termination.

Also, during the same financial year, 66 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 2024/25, the Corporation spent TZS 187 million as compared to TZS 268 million in the 2023/24 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. The Corporation trained 450 staff through 79 programs. Of these, 371 employees attended physical sessions, while 79 participated in online courses delivered via the Udemy (an online training) platform.

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 2024/25, the Corporation incurred TZS 1,620 million for medical expenditures under standard package as compared to TZS 2,573 million which was used in the previous financial year of 2023/24 under supplementary scheme.

The Corporation has continued to provide awareness programmes on HIV/AIDS to reduce the transmission of the disease among its employees. TTCL also provides financial support for food to employees who have voluntarily declared that they are affected by HIV/AIDS. In addition, awareness programmes on non-communicable diseases have been conducted. The Corporation encourages employees to adopt healthier lifestyles, including regular physical exercise, in order to reduce the risk of developing 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 through which qualifying employees may obtain loans in accordance with the terms and conditions set by those institutions. The Corporation ensures that all borrowed amounts are recovered through monthly payroll deductions and timely remittance to the respective financial institutions, or through the channeling of employees' salaries to those institutions. In addition, the Corporation ensures that such financial assistance does not exceed one-third (1/3) of an employee's monthly salary.

TTCL also provides a salary advance programme to its employees, allowing eligible staff to access up to two (2) months' basic salary, which is recoverable within a one (1) year period, to assist in meeting emergency financial obligations.

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 30 June 2025, a total of 722 employees (68% of employees) were union members of which 599 were members of COTWU and 123 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 TZS 20 Million plus passage allowance for employees with 30 or more years' service on their retirement at the age of 60 years for compulsory retirement or 55 years for voluntary retirement. As the Arrangement is unfunded, benefits are paid out of the Corporation's cash reserves.

2.23 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 2024/25, the Corporation had a total of 1,063 full-time employees while in the year 2023/24 employees were 1,129. During the year 2024/25, 1 (one) employee was on contract for specified periods mainly Managerial position. Employees in management positions represented 3.7% of the total employees at period-end, 40.6% were in officer cadre and 55.7% in lower operational roles and support positions.

As at 30 June 2025, the Corporation had the following distribution of employees by gender.

Table 11: Employees Gender

Gender	2024/25	Gender Percentage	2023/24	Gender Percentage
Male	633	60%	675	60%
Female	430	40%	454	40%
Total	1,063	100%	1,129	100%

2.24 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 2025. The list of the major procurement contracts is summarized under Table below:

Table 12: Major Procurement Contracts for the year ended June 2024/25

No	Tenderer Name	Description	Tender No	Contract Amount (TZS)VAT Exclusive	Contract Amount (USD) VAT Exclusive
1	ALKAN C.I.T - ABU DHABI	Supply and Installation of Optical Fiber Cable and Associated Systems for NICTBB Extension to Districts	TR226/2024/2025/G/715	5,408,391,163	4,824,958
2	CITY MOTORS (TANZANIA) LIMITED	Supply and Installation of Diesel Engine Generators, Transformers and Associated Power Materials.	TR226/2024/2025/G/217	3,201,569,928	-
3	BROADWAYS ENGINEERING COMPANY LIMITED	Extension of NICTBB to District Design review by June 2025	TR226/2024/2025/W/49	1,864,380,750	-
4	PETABYTE AIRCOM LIMITED	Supply and Installation of WiFi Services for Network Expansion	TR226/2024/2025/G/153	998,116,000	-
5	SOFTNET TECHNOLOGIES LIMITED	Supply of ICT Equipment and support	TR226/2024/2025/G/713	975,965,125	-

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

No	Tenderer Name	Description	Tender No	Contract Amount (TZS)VAT Exclusive	Contract Amount (USD) VAT Exclusive
6	SOFTNET TECHNOLOGIES LIMITED	Supply of ICT Software and Equipment	TR226/2024/2025/G/141	885,900,000	-
7	DELOITTE CONSULTING LIMITED	Provision of Consultancy Services to Review and Update the Strategic Plan (2022/23 - 2026/27) and prepare a 3 - year Business Plan	TR226/2024/2025/C/08	490,000,000	-
8	DARTCOM SA (PTY) LIMITED	Supply of Materials for FTTH network	TR226/2024/2025/G/750	447,386,932	-
9	MSOFT CO LIMITED	Supply of Switches, firewalls, network monitoring tools and ICT equipment to facilitate Network modernization infrastructure and provision of licenses and support - Under One (1) Year Framework Contract.	FA/2024/2025/TR226/G/03/1	440,563,401	-
10	MFI DOCUMENT SOLUTIONS LIMITED	Supply, installation, and support services for the Call Center System.	TR226/2024/2025/G/95	421,703,390	-
11	TWENTY THIRD CENTURY SYSTEMS TANZANIA LIMITED	Supply of Application software systems and licenses	TR226/2024/2025/G/650	355,806,000	-
12	IVO SOLUTIONS LIMITED	Supply and installation of Next Generation Firewall and EDR (Endpoint Detection and Response)	TR226/2024/2025/G/738	344,638,698	-
13	BV Engineering Limited	Supply and installation of Specialized Electrical and High Precision Air Conditions Equipment for Data Centre.	TR226/2024/2025/G/651	326,975,546	-
14	HELSAK ENTERPRISES LIMITED	Supply and Installation of CCTV and Access Control System	TR226/2023/2024/G/17	238,106,000	-
15	RG PROFESSIONAL CLEANERS COMPANY LIMITED	Supply of food and Refreshments	TR226/2024/2025/G/711	156,379,680	-
16	RG PROFESSIONAL CLEANERS COMPANY LIMITED	Supply of food and Refreshments	TR226/2024/2025/G/711	156,379,680	-
17	OSBORN COMPANY LIMITED	Construction of Chain Link Fence at Mbweni JKT Plot	TR226/2024/2025/W/01	147,768,570	-
18	UBX (TANZANIA) LIMITED	Supply of electronic cards	TR226/2024/2025/G/759	139,880,520	-
19	Solution Plus Limited	Supply of Power system equipment and accessories for NICTBB network	TR226/2024/2025/G/11	127,880,000	-

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No	Tenderer Name	Description	Tender No	Contract Amount (TZS)VAT Exclusive	Contract Amount (USD) VAT Exclusive
20	IMPERIAL MARKETING AND COMMUNICATIONS LIMITED	Provision of Branding, Fabrication, Hiring Technologies and Furniture's under Framework Contract	FA/2024/2025/75/TR226/NC/09/1	114,920,000	-
21	U TRACK AFRICA LIMITED	Provision of Motor vehicle tracking devices	TR226/2024/2025/NC/144	101,906,000	-
22	STRONG TOWER INVESTMENT LIMITED	Supply of Air Conditioners systems and spare parts	TR226/2024/2025/G/14	91,700,800	-
23	INSIGHT SECURITY LIMITED	Provision of security services TTCL Mwanza	TR226/2024/2025/NC/331/31	88,650,000	-
24	FAST CHOICE GENERAL MERCHANDISE LIMITED	Supply of Stationery and Office Supplies	TR226/2024/2025/G/722	83,065,682	-
25	AQUA COOL LIMITED	Supply of food and Refreshments	TR226/2024/2025/G/711	67,688,141	-
26	LUGANUZA INVESTMENT COMPANY LIMITED	Execution of works for External & Internal Painting, roof repair and building repairs to Kagera Telephone House	TR226/2024/2025/W/05	67,000,000	-
27	INSIGHT SECURITY LIMITED	Provision of Security-TTCL Dodoma	TR226/2024/2025/NC/331/01	55,743,120	-
28	HUAWEI INTERNATIONAL CO. LIMITED	Plan, Design, Supply, Installation and Commissioning of Optical Line Terminal (OLT), Optical Network Unit (ONU) Active Equipment and Passive Materials with the Associated Accessories- LOT 1 (Zanzibar, Dar es salaam, Pwani, Tanga, Kilimanjaro, Arusha, Manyara, Morogoro.	TR226/2024/2025/G/747/1	-	25,000,000
29	GUANGZHOU V-SOLUTION TELECOMMUNICATION TECHNOLOGY CO., LTD.	Plan, Design, Supply, Installation and Commissioning of Optical Line Terminal (OLT), Optical Network Unit (ONU) Active Equipment and Passive Materials with the Associated Accessories- LOT 2 (Dodoma, Singida, Tabora, Shinyanga, Simiyu, Mwanza, Geita, Mara, Kagera.	TR226/2024/2025/G/747/2	-	10,954,000
30	JIANGSU ZHONGTIAN TECHNOLOGY CO.LTD	Plan, Design, Supply, Installation and Commissioning of Optical Line Terminal (OLT), Optical Network Unit (ONU) Active Equipment and Passive Materials with the Associated Accessories- LOT 3 (Katavi, Rukwa, Mbeya, Songwe, Iringa, Njombe, Ruvuma, Mtwara, Lindi	TR226/2024/2025/G/747/2	-	7,436,609

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

No	Tenderer Name	Description	Tender No	Contract Amount (TZS)VAT Exclusive	Contract Amount (USD) VAT Exclusive
31	HUAWEI INTERNATIONAL CO. LIMITED	Supply and Installation of Materials to facilitate Upgrade of NICTBB Capacity	TR226/2024/2025/G/710	-	7,650,000
32	PACKETLIGHT NETWORKS LTD	Supply of DWDM/OTN Equipment	TR226/2024/2025/G/194	-	183,295
33	HUAWEI INTERNATIONAL CO. LIMITED	Supply and Installation of Network Equipment for Core Network Upgrade	TR226/2024/2025/G/226	-	102,000
	TOTAL			17,798,465,126	56,150,862

2.25 PREJUDICIAL ISSUES

The prejudicial issues at the end of the financial year June 2025 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, Labor Division, Dar Es Salaam.	Complainants are 151 employees of the Corporation who filed a suit against TTCL and requested the Commission for Mediation and arbitration to remove TTCL Director General in 2013 and TTCL senior management because TTCL Management have abrogated some of their entitlements, such as allegedly approved salaries rise in 2007 and training. The case was decided in favor of TTCL, and the Msamila Appealed to the Court of Appeal of Tanzania. The case is still pending.
2	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 opted not to renew the same. The employee referred the dispute to the Commission for Mediation and Arbitration and requested to court to reinstate him to his position as Regional Manager-Iringa. The case was partly decided in favor of TTCL at the High Court Labour Division, Iringa, where it was ordered to pay employee TZS 16,000,000.00. The Employee appealed to the Court of Appeal of Tanzania.
3	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 was terminated fairly.
4	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 premises 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. The case was decided in favour of Tilisho Security and sum of TZS 348,000,000 was awarded.
5	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 and TTCL was awarded the sum of TZS352, 594, 563.88

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

S/N	NAME OF THE OTHER PARTY	CASE NUMBER	CASE STATUS
6	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.
7	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.
8	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.
9	CITI BANK CASE	Civil Application No. 737/16 of 2023	TTCL claim the sum of USD USD 11,125,967 from TRI Telecommunications (T) Ltd emanating from various services offered to the Company. During the Liquidation proceeding in Misc. Commercial Cause No 6. Of 2003 the court appointed two liquidator ie. Mr. Kashoda and Mr. Bakilana whom both passed away before the completion of liquidation process. Citi Bank failed to appeal on the decision of the Court timely to the Court of Appeal of Tanzania in 2023 they applied for the extension of time to the Court of Appeal of Tanzania. 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.
10	Mr. S. MBAYA and 10 Others	EC 22/2019: Bukoba Resident Magistrates Court.	Criminal Case
11	MOSSES COSMAS KANEKE.	No.31/2022: Kibaha	Criminal Case

2.26 RELATED PARTY TRANSACTIONS

The related party transactions and balances are disclosed in Note 36 to the financial statements 2024/25.

2.27 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.

2.28 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 fibre 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.

2.29 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).

2.30 FUTURE PERFORMANCE OF THE CORPORATION

The Corporation shall continue to expand business operations and sources of revenue and enforce revenue collection from customers to sustain implementation of its mandated functions and plans as per guiding legislation via Approved Strategic Plan (2025/26 - 2027/28) which has the following key strategic objectives:

- i. Enhancement of the product portfolio
- ii. Deployment of a go-to-market strategy
- iii. Strengthening of customer centricity
- iv. Acceleration of Tanzania's digital economy
- v. Adoption of a digital-first approach
- vi. Strengthening of financial management practices
- vii. Improvement of workforce productivity
- viii. Strengthening of governance and strategic oversight

Primarily, TTCL intends to grow its fixed business through expansion of NICTBB, FTTH network, FWA network, and Data Center infrastructure to provide quality broadband services to its customers at national level and international level. The investment in FTTH network is also designed to replace existing aged copper access network, which can no longer be used to sustain emerging business requirements. The investment in mobile network shall continue in rural areas as part of government initiative to extend services to underserved areas. These initiatives will be implemented in parallel with significant digital transformations to increase operational efficiency and lower costs.

2.31 CLIENT SERVICE CHARTER

The Corporation has client service charter 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 customer's 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.

2.32 APPROVAL

This Report was approved and authorized for issue by the Board of Directors on 22nd MARCH 2026 and signed on its behalf by:

Name: David C. Nchimbi

Title: BOD Chairman

Signature:



Name: Moremi A. Marwa

Title: Director General

Signature:



3.0 STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2025

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 group and its subsidiary 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 27th MARCH 2026 and signed on its behalf by: -

Name: David C. Nchimbi Title: BOD Chairman

Signature:



Name: Moremi A. Marwa Title: Director General

Signature:



4.0 DECLARATION BY THE DIRECTOR OF FINANCE FOR THE YEAR ENDED 30 JUNE 2025

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. 7 of 2021, 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, CPA 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 2025, 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: 27.03.2026

5.0 FINANCIAL STATEMENT

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	Consolidated 2024/25 TZS" mil	2023/24 Restated TZS" mil	Separate 2024/25 TZS" mil	2023/24 Restated TZS" mil
ASSETS					
Non-current assets					
Property, plant and equipment	19	929,947	907,537	929,916	907,530
Intangible assets	20	14,268	12,266	14,268	12,266
Investment property	21	26,770	23,198	26,770	23,198
Indefeasible right of use: non-current portion	23	2,638	3,896	2,638	3,896
Deferred Asset - NICTBB IRU: Non-current portion	45	-	2,669	-	2,669
Investment in TTCL Pesa	40	-	-	5,575	5,241
		973,623	949,566	979,167	954,800
Current assets					
Inventories	24	10,746	7,500	10,746	7,500
Income tax recoverable	25	5,831	2,597	5,848	2,611
Government trade receivables	26	32,298	33,163	32,343	33,189
Trade and other receivables	27	209,743	52,460	208,043	50,553
Prepayments and deposits	28	4,291	2,431	4,291	2,431
Indefeasible right of use: Current portion	23	1,258	1,258	1,258	1,258
Deferred Asset - NICTBB IRU: Current portion	45	19,512	413	19,512	413
Cash and bank balances	29	81,048	22,203	80,008	21,488
		364,727	122,025	362,049	119,445
TOTAL ASSETS		1,338,350	1,071,591	1,341,216	1,074,243
EQUITY AND LIABILITIES					
Equity					
Share capital	30	897,612	370,465	897,612	370,465
Share discount	31	(48,619)	(48,619)	(48,619)	(48,619)
Advance towards Share capital	46	(0)	356,921	(0)	356,921
Retirement benefits reserve	33	673	171	673	171
Revaluation reserves		205,174	205,318	205,174	205,318

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

Accumulated losses		(356,979)	(371,828)	(352,029)	(369,164)
		697,861	512,428	702,811	515,092
Non-current liabilities					
Deferred revenue: non-current portion	32	253,309	58,712	253,309	58,712
Retirement benefits obligation	33	7,596	8,328	7,596	8,328
Provisions - Assets Retirement Obligation	35	1,662	1,459	1,662	1,459
		262,567	68,499	262,567	68,499
Current liabilities					
Deferred revenue: Current portion	32	39,196	9,085	39,196	9,085
Trade and other payables	34	231,714	312,250	229,630	312,238
Deferred Tax Liability	18	52,475	44,918	52,475	44,918
Provisions - Legal claims	35	136	571	136	571
Grants	42	54,401	123,840	54,401	123,840
		377,922	490,664	375,838	490,652
Total liabilities		640,489	559,163	638,405	559,151
TOTAL EQUITY AND LIABILITIES		1,338,350	1,071,591	1,341,216	1,074,243

Name: David C. Nchimbi **Title:** BOD Chairman **Signature:** 

Name: Moremi A. Marwa **Title:** Director General **Signature:** 

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

	Note	Consolidated		Separate	
		2024/25	2023/24	2024/25	2023/24
		TZS" mil	Restated TZS" mil	TZS" mil	Restated TZS" mil
Revenue	9	201,762	165,000	201,070	164,279
Cost of sales	10	(51,052)	(51,928)	(50,819)	(51,801)
Gross profit		150,710	113,072	150,251	112,478
Other income	11	16,848	8,730	16,882	8,674
Net operating revenue		167,558	121,802	167,133	121,152
Operating expenses					
Sales and marketing expenses	12	(18,268)	(15,978)	(16,562)	(15,531)
Network operational costs	13	(73,734)	(59,392)	(73,950)	(59,091)
General and administrative expenses	14	(55,477)	(66,725)	(54,933)	(66,198)
		(147,479)	(142,095)	(145,445)	(140,820)
Operating profit/(loss)		20,079	(20,293)	21,688	(19,668)
Finance income	16(a)	238	520	238	520
Finance costs	16(b)	(949)	(247)	(949)	(247)
Gain / (loss) on revaluation of investment properties	21	3,571	1,253	3,571	1,253
		2,860	1,526	2,860	1,526
Profit/(loss) before income tax		22,939	(18,767)	24,548	(18,142)
Income tax credit / (charge)	17(a)	(7,417)	(43,325)	(7,413)	(43,321)
Profit/(loss) for the year		15,522	(62,092)	17,135	(61,463)
Other comprehensive income (OCI)					
OCI not to be reclassified to profit or loss in subsequent periods					
Re-measurement (loss)/gain on defined benefits plan	33	502	(2,031)	502	(2,031)
Net OCI not to be reclassified to profit or loss in subsequent periods		502	(2,031)	502	(2,031)
Total comprehensive profit / (loss) for the year, net of taxes		16,024	(64,123)	17,637	(63,494)

Name: David C. Nchimbi Title: BOD Chairman

Signature:



Name: Moremi A. Marwa Title: Director General

Signature:



TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

Consolidated	Share capital TZS" mil	Advance towards Share capital TZS" mil	Share discount TZS" mil	Revaluation TZS" mil	Retirement benefits reserve TZS" mil	Accumulated losses TZS" mil	Total equity TZS" mil
At 1 July 2024							
Restated Opening Amount	370,465	356,921	(48,619)	205,318	171	(371,828)	512,428
Transfer from Grants and conversion of TCRA debt	170,226	-	-	-	-	-	170,226
Deferred tax on revaluation	-	-	-	(144)	-	-	(144)
Profit/(Loss) for the year	-	-	-	-	-	15,522	15,523
Advance towards Share capital	356,921	(356,921)	-	-	-	-	-
Other comprehensive income for the year, net of taxes	-	-	-	-	502	-	502
At 30 June 2025	897,612	-	(48,619)	205,174	673	(356,980)	697,861
At 1 July 2023							
Opening Amount	370,465	-	(48,619)	205,318	2,202	(356,609)	172,757
Profit/(Loss) for the year	-	-	-	-	-	(27,144)	(27,144)
Prior Year adjustment for the Subsidiary	-	-	-	-	-	672	672
Prior Year adjustment deferred Tax	-	-	-	-	-	(35,620)	(35,620)
Advance towards Share capital from NICTBB	-	255,204	-	-	-	43,674	298,878
Advance towards Share capital from NIDC	-	101,717	-	-	-	3,199	104,916
Other comprehensive income for the year, net of taxes	-	-	-	-	(2,031)	-	(2,031)
At 30 June 2024	370,465	356,921	(48,619)	205,318	171	(371,828)	512,428

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

Separate	Share capital TZS" mil	Share towards Share capital TZS" mil	Share discount TZS" mil	Revaluation TZS" mil	Retirement benefits reserve TZS" mil	Accumulated losses TZS" mil	Total equity TZS" mil
At 1 July 2024							
Restated Opening Amount	370,465	356,921	(48,619)	205,318	171	(369,166)	515,090
Transfer from Grants and conversion of TCRA debt	170,226	-	-	-	-	-	170,226
Deferred tax on revaluation	-	-	-	(144)	-	-	(144)
Profit / (Loss) for the year	-	-	-	-	-	17,135	17,135
Advance towards Share capital	356,921	(356,921)	-	-	-	-	-
Other comprehensive income for the year, net of taxes	-	-	-	-	502	-	502
At 30 June 2025	897,612	-	(48,619)	205,174	673	(352,029)	702,811
At 1 July 2023							
Opening Amount	370,465	-	(48,619)	205,318	2,202	(354,576)	174,790
Prior year adjustment	-	-	-	-	-	(92)	(92)
Total amount after prior year adjustments	370,465	-	(48,619)	205,318	2,202	(354,668)	174,698
Profit / (Loss) for the year	-	-	-	-	-	(25,656)	(25,656)
Prior year adjustment	-	-	-	-	-	-	-
NCARD Temesa loss	-	-	-	-	-	(95)	(95)
Deferred Tax	-	-	-	-	-	(35,620)	(35,620)
Advance towards Share capital from NICTBB	-	255,204	-	-	-	43,674	298,878
Advance towards Share capital from NIDC	-	101,717	-	-	-	3,199	104,916
Other comprehensive income for the year, net of taxes	-	-	-	-	(2,031)	-	(2,031)
	-	356,921	-	-	(2,031)	(14,498)	340,392
At 30 June 2024	370,465	356,921	(48,619)	205,318	171	(369,166)	515,090

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Note	Consolidated		Separate	
		2024/25	2023/24 Restated	2024/25	2023/24 Restated
		TZS" mil	TZS" mil	TZS" mil	TZS" mil
Operating activities					
Receipts From Customers	47	262,300	183,609	261,926	183,253
Cash paid to suppliers	47	(52,250)	(79,780)	(53,381)	(79,650)
Cash paid to Operating Expenses	47	(41,985)	(51,404)	(40,598)	(50,815)
Cash Paid to employees	47	(49,883)	(48,033)	(49,247)	(47,353)
Interest received	47	238	520	238	520
Cash paid Other Expenses	47	(1,936)	(2,055)	(1,936)	(2,055)
Net cash flows from operating activities		116,484	2,857	117,002	3,899
Finance activities					
Grants received	42	16,644	93,560	16,645	93,560
From NIDC		-	13,474	-	13,474
Net cash flows from financing activities		16,644	107,034	16,645	107,034
Investing activities					
Purchase of property and equipment	19	(72,224)	(110,419)	(72,224)	(110,419)
Purchase of Intangible assets	20	(2,197)	(621)	(2,197)	(621)
Investment in TTCL PESA	40	-	-	(845)	(857)
Proceed from sale of property, plant and equipment	11	140	-	140	-
Net cash flows used in investing activities		(74,281)	(111,040)	(75,126)	(111,897)
Net increase in cash and cash equivalents		58,846	(1,149)	58,520	(963)
Cash and cash equivalents at 1 July		22,202	23,352	21,488	22,451
Cash and cash equivalents at 30 June	29	81,048	22,202	80,008	21,488

Name: David C. Nchimbi Title: BOD Chairman Signature:



Name: Moremi A. Marwa Title: Director General Signature:



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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 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

These financial statements for the year ended 30 June 2025 were authorised for issue on or before 31 March 2026 by the Board of Directors, following the tabling of the Controller and Auditor General's annual audit report to the National Assembly of the United Republic of Tanzania.

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 Centre 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.

The Corporation's revenue is recognized in accordance with **IFRS 15 - Revenue from Contracts with Customers**, using the five-step model:

1. Identify the contract with a customer

A contract exists when it has been approved by both parties, each party's rights regarding goods or services can be identified, payment terms are specified, the contract has commercial substance, and collection is probable.

2. Identify the performance obligations in the contract

Performance obligations are distinct goods or services promised to customers, which may include voice, data, internet connectivity, capacity (IRU), and other value-added services.

3. Determine the transaction price

The transaction price is the amount of consideration the Corporation expects to be entitled to in exchange for transferring promised services, net of discounts, rebates, VAT, and other similar taxes.

4. Allocate the transaction price to performance obligations

Where contracts include multiple performance obligations (e.g., installation plus monthly service fees), the transaction price is allocated to each obligation based on relative stand-alone selling prices.

5. Recognize revenue when (or as) performance obligations are satisfied

Revenue is recognized when control of the promised services is transferred to the customer, which may occur over time or at a point in time, as follows:

4.1.1 Retail voice

The Corporation provides telephone and data communication services under post-paid 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 another 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.

Revenue is recognized **over the term of the contract** as the customer receives the right to access network capacity. Lump-sum IRU payments are deferred and amortized over the contract period.

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 derecognition 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 derecognition 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-for-sale 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 de-recognition.

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 cash-generating 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. Re-measurements 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 deferred tax asset. When deciding whether to recognize unutilized deferred taxation credits as deferred income tax assets, management needs to determine the extent that the future taxable profits 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.

Foreign exchange risk	Consolidated			Separate		
	2024/25 TZS	2023/24 TZS	Total	2024/25 TZS	2023/24 TZS	Total
At 30 June 2025						
Financial assets						
Government trade receivables	-	33,163	33,163	-	49,698	49,698
Trade and other receivables	-	52,460	52,460	-	208,043	208,043
Cash and bank balances	21,639	564	22,203	21,639	58,369	80,008
Total financial assets	21,639	86,186	107,825	21,639	316,110	337,749
Financial liabilities						
Trade and other payables	54	312,195	312,249	54	229,577	229,631
Total financial liabilities	54	312,195	312,249	54	229,577	229,631
Net gap	21,585	(226,009)	(204,424)	21,585	86,533	108,118

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

	TZS	TZS	Total	TZS	TZS	Total
At 30 June 2024						
Financial assets						
Government trade receivables	-	-	-	0	33,188	33,188
Trade and other receivables	-	-	-	35,094	15,457	50,551
Cash and bank balances	8,392	0	1,566	8,254	13,234	21,488
Total financial assets	8,392	0	1,566	43,348	61,880	105,228
Financial liabilities						
Trade and other payables	54	54	108	54	312,184	312,238
Total financial liabilities	54	54	108	54	312,184	312,238
Net gap	8,337	(54)	1,457	43,294	(250,304)	(207,010)

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	Consolidated			Separate		Total
	2024/25 < 1 year	2023/24 > 1 year	Total	2024/25 < 1 year	2023/24 > 1 year	
At 30 June 2025						
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

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

Financial liabilities						
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 year	> 1 year	Total	< 1 year	> 1 year	Total
At 30 June 2024						
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
Financial liabilities						
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	2024/25 TZS" mil	2023/24 TZS" mil	2024/25 TZS" mil	2023/24 TZS" mil
Not impaired				
Government trade receivables	32,298	33,163	32,343	33,188
Trade and other receivables	209,741	52,460	208,043	50,551
Bank balances	81,048	22,201	80,008	21,486
	323,086	107,823	320,394	105,226
Impaired				
Government trade receivables	5,985	1,932	5,940	1,906
Trade and other receivables	60,820	64,158	60,813	64,134
	66,805	66,090	66,753	66,040
Maximum exposure to credit risk	389,891	173,913	387,147	171,266

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

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:

	2024/25 TZS'm	2023/25 TZS'm	2024/25 TZS'm	2023/24 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;

	2024/25 TZS'm	2023/24 TZS'm	2024/25 TZS'm	2023/24 TZS'm
Trade receivables				
Group 1 - new customers/related parties.	-	-	-	-
Group 2 - existing customers/related parties with no defaults in the past.	44,995	75,385	44,995	75,385
Group 3 - existing customers/related parties with some defaults in the past. All defaults were fully recovered.	15,137	9,155	15,137	9,155
	60,132	84,540	60,132	84,540
Cash at bank				
Bank of Tanzania	45,625	3,156	45,625	135
National Bank of Commerce Ltd				
National Microfinance Bank PLC	102	276	102	0
TIB Bank	-	1	-	253
	45,727	3,433	45,727	388
Cash in hand	-	(0)	-	2
	45,727	3,433	45,727	390

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				
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TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

	2025	2024	2025	2024
Receivables	TZS'm	TZS'm	TZS'm	TZS'm
Financial assets as per the statement of financial position:				
Government trade receivables	32,298	33,163	32,343	33,188
Trade and other receivables (excluding prepayments)	209,741	52,460	208,043	50,551
Cash and bank balances	81,048	22,203	80,008	21,488
	323,087	107,825	320,394	105,228
Financial liabilities at amortized cost				
Financial liabilities as per the statement of financial position:				
Trade and other payables (excluding statutory liabilities)	198,543	283,001	196,483	283,042
	198,543	283,001	196,483	283,042

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 2025 and 30 June 2024 were as follows: -

Capital risk management	2024/25	2023/24	2024/25	2023/24
	TZS'm	TZS'm	TZS'm	TZS'm
Total borrowings	-	-	-	-
Less: Cash and cash equivalents	81,048	22,203	80,008	21,488
Net debt	81,048	22,203	80,008	21,488
Total shareholders' surplus (deficit)	698,004	512,428	702,956	515,092
Total capital	779,052	534,630	782,964	536,580
Gearing ratio	-	-	-	-

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	-	20,342	-
Ex Posta Club	-	6,428	-
Total	-	26,770	-

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

	Consolidated		Separate	
	2024/25 TZS" mil	2023/24 TZS" mil	2024/25 TZS" mil	2023/24 TZS" mil
9 REVENUE				
(a) Operating revenue				
Fixed data	92,067	79,024	92,067	79,024
Wholesale Data	37,710	26,037	37,710	26,037
Colocation	17,453	15,395	17,453	15,395
Mobile (Voice & data)	15,720	16,751	15,720	16,751
Fixed Voice	4,036	4,175	4,029	4,175
Devices & Terminals	333	404	334	412
	167,320	141,786	167,314	141,794
(b) Revenue from NIDC				
NIDC Revenue	4,717	3,267	4,717	3,267
	4,717	3,267	4,717	3,267
(c) Revenue from NICTBB				
Management fees	-	603	-	603
Accommodation	-	48	-	65
ICT Capacity	29,040	14,857	29,040	14,857
Co-location charges	-	3,693	-	3,693
	29,040	19,201	29,040	19,218
(d) Revenue from T-PESA				
Money Transfer (P2P) Revenue	17	14	-	-
Bill payment Commission	4	4	-	-
Utility Revenue	15	13	-	-
Bank Cashin Revenue	21	30	-	-
Cash Out Revenue	387	332	-	-
Commission on Airtime purchase TTCL Pesa	-	1	-	-
Interoperability Revenue	126	238	-	-
Check Balance Revenue	13	12	-	-
N Card Revenue	103	102	-	-
	686	746	-	-
Total revenue	201,762	165,000	201,070	164,279
10 COST OF SALES				
International access	33	348	33	348
Payment to international operators	2,793	2,383	2,793	2,383
Cellular interconnect charges	2,719	2,300	2,719	2,300
Telephone sets and accessories	255	246	255	246
Ruim cards and scratch cards	179	142	179	142
Discount and commission to dealers	566	636	566	636
Leased line costs	1,710	8,908	1,710	8,908
Regulatory costs	11,018	9,675	11,018	9,675
Excise duty & Airtime Levy	18,311	17,042	18,266	16,998
International fibre transmission	3,819	2,833	3,819	2,833
International transit to mobile	126	91	126	91
Capacity costs	3,336	2,803	3,336	2,803
National Roaming	5,446	3,941	5,446	3,941
Other costs	741	580	553	497
	51,052	51,928	50,819	51,801
11 OTHER INCOME				
Rental income	1,453	1,352	1,483	1,352
Gain from Insurance Compensation on Motor Vehicles	18	-	18	-
Gain on disposal	122	-	122	-
Miscellaneous income	8,859	1,464	8,863	1,385

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

Decrease in Provision for Impairment of Assets	-	-	-	-
Decrease in Provision for Inventory	331	635	331	635
Decrease in Impairment for debtors	-	1,540	-	1,562
ARO - change in estimates	-	24	-	24
Amortization of Grant	3,240	3,679	3,240	3,679
Foreign exchange gain - realized	2,824	37	2,824	37
	16,848	8,730	16,882	8,674
12 SALES AND MARKETING EXPENSES				
Marketing expenses**	2,583	1,385	1,069	1,145
Employee benefits - salaries and wages	14,970	14,593	14,779	14,386
Impairment of debtors	715	-	714	-
	18,268	15,978	16,562	15,531

Prior Year Adjustment: Due to the reported loss in TEMESA resulting from the failure of KIVUKONI NCARD payments, a loss of TZS 92 million occurred in the 2023/24 financial year and was initially reported under the subsidiary (TPESA). After further discussion, it was determined that the loss should be reported by TTCL Corporate. The adjustment was made in FY 2023/24 to correct the reporting error in the TTCL Corporation financial statement.

13 NETWORK OPERATIONAL COSTS				
Network maintenance costs	4,728	4,630	5,239	4,630
Depreciation	45,871	33,575	45,871	33,574
Employee benefits - salaries and wages	23,135	21,187	22,840	20,887
	73,734	59,392	73,950	59,091
14 GENERAL AND ADMINISTRATIVE EXPENSES				
Energy costs	8,884	9,300	8,884	9,300
Rent and rates	569	359	569	359
Travelling	3,497	3,782	3,480	3,709
Net foreign exchange loss - unrealized	2,968	2,010	2,968	2,010
Other administrative expenses	5,804	9,953	5,572	9,836
ARO - change in estimates	182	-	182	-
NICTBB Deferred asset amortization	-	9,733	-	9,733
Insurance, licence and security	8,691	6,177	8,676	6,160
External consultants	553	139	553	139
Employee benefits - salaries and wages	11,779	12,253	11,628	12,079
Terminal benefits	7	5	7	5
Other employee benefits expense (Note 15)	9,008	9,733	8,926	9,632
Directors' fees, allowances and other expenses (Note 36)	110	140	110	140
Auditors' remuneration	283	261	245	220
Depreciation	2,947	2,684	2,938	2,680
Amortization of intangible assets	196	196	196	196
	55,477	66,725	54,933	66,198
15 OTHER EMPLOYEE BENEFITS EXPENSE				
The following amounts make up other employee benefits expense:				
Corporation's contribution to PSSF	3,565	3,376	3,499	3,311
Corporation's contribution to Skills and Development Levy (SDL)	1,889	1,790	1,866	1,767
Staff medical expenses	1,620	2,573	1,607	2,560
Staff telephone costs	730	707	730	707
Increase/(decrease) in retirement benefit obligation (Note 33)	1,204	1,287	1,224	1,287
	9,008	9,733	8,926	9,632

All employees of the Corporation are members of the Public Service Social Security Fund (PSSF) 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	238	520	238	520
Total finance income	238	520	238	520

(b) Finance costs:

Interest expense - liabilities	(949)	(247)	(949)	(247)
Finance Costs on Asset Retirement Obligation	-	-	-	-
Total finance costs	(949)	(247)	(949)	(247)
Net finance costs	(711)	273	(711)	273

INCOME TAX EXPENSE

17

The Corporation as a separate entity made adjusted taxable loss of TZS 32,889 million during the year (2024: adjusted taxable loss of TZS 6,825 million). However, as at period-end, the Corporation had accumulated tax losses of TZS 356,029 million (2024: TZS 369,166 million). Tax of TZS 7,413 million (2024: TZS 43,321 million) including deferred tax has been charged in accordance with income tax act where by 30% was used on adjusted taxable income to obtain current tax for the year.

	Consolidated		Separate	
	2025	2024	2025	2024
	TZS" mil	TZS" mil	TZS" mil	TZS" mil
Charge/ (credit) to loss for the year				
Current income tax expenses/ (credit)	4	272	-	268
Deferred income tax charge/ (credit)	7,413	43,052	7,413	43,052
	7,417	43,325	7,413	43,321

18 DEFERRED INCOME TAX (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:

	1 July 2024	Movement through		30 June 2025
	TZS" mil	Profit & Loss	Revaluation Reserve	TZS" mil
Deferred tax liability - Current year		TZS" mil	TZS" mil	
Accelerated capital deductions	64,258	15,188	-	79,446
Other timing differences - P&L	(17,292)	44	-	(17,248)
Losses	(2,048)	(7,819)	-	(9,867)
Other timing differences - Reserve	-	-	144	144
	44,918	7,413	144	52,475

	1 July 2023	Movement through		30 June 2024
		Profit & Loss	Revaluation Reserve	
Deferred tax liability- Prior year				
Opening balance				
Accelerated capital deductions	(410)	57,867	-	57,457
Other timing differences	2,276	(20,199)	-	(17,923)
Losses	-	(2,048)	-	(2,048)
Adjustments	-	7,432	-	7,432
Total Provision***	1,866	43,052	-	44,918

****Deferred Tax liability "FY 2024"**

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

Prior Year Adjustment: Following the re-computation of taxes by the tax consultancy PwC, the Deferred Tax was adjusted by TZS 35,620 million, resulting in a new Deferred Tax Liability balance of TZS 44,918 million, compared to the previously reported balance of TZS 9,298 million. The re-computation undertaken by PwC Tax Consultancy was primarily necessitated by inaccuracies identified in the previous tax computation.

19 PROPERTY PLANT AND EQUIPMENT (PPE)

Consolidated	Land	Buildings	Telecom plant and equipment	Other assets	Capital work-in-progress	Total
	TZS" mil	TZS" mil	TZS" mil	TZS" mil	TZS" mil	TZS" mil
Cost						
At 1 July 2024	133,544	94,886	1,093,881	43,619	250,349	1,616,279
Transfers between Classes	-	-	984	(984)	-	-
Additions	125	-	-	738	71,361	72,224
Transfers to FAR From WIP	-	547	83,261	-	(83,808)	-
Disposal during the year	-	-	-	(988)	-	(988)
Transfer to P&L from WIP	-	-	-	-	(887)	(887)
Additions due to ARO estimates	-	-	21	-	-	21
At 30 JUNE 2025	133,669	95,433	1,178,147	42,385	237,015	1,686,649
Accumulated Depreciation						
At 1 July 2024	-	16,510	624,771	33,199	-	674,480
Charge for the year	-	1,772	45,871	1,175	-	48,818
Transfers between Classes	-	-	103	(103)	-	-
Disposal during the year	-	-	-	(858)	-	(858)
At 30 JUNE 2025	-	18,282	670,745	33,413	-	722,440
Accumulated Impairment						
At 1 July 2024	-	-	34,262	-	-	34,262
Impairment for the year	-	-	-	-	-	-
At 30 JUNE 2025	-	-	34,262	-	-	34,262
Net carrying amount						
At 30 JUNE 2025	133,669	77,151	473,140	8,972	237,015	929,947

As at 30 June 2025, 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.

OTHER ASSETS AS AT 30 JUNE, 2025

Other Assets	Motor Vehicles	Furniture & Office Equipment	Computers And IT Equipment	TOTAL
	TZS" mil	TZS" mil	TZS" mil	TZS" mil
Cost				
At 1 July 2024	17,171	13,483	12,965	43,619
Transfers	-	34	(1,018)	(984)
Additional	-	340	398	738
Disposal	(942)	(46)	-	(988)
	16,229	13,811	12,345	42,385
Accumulated depreciation				
At 1 July 2024	9,555	12,702	10,942	33,199
Transfers	-	3	(106)	(103)
Charge for the year	836	132	207	1,175
Disposal	(812)	(46)	-	(858)
	9,579	12,791	11,043	33,413
Net carrying amount				
At 30 June 2025	6,650	1,020	1,302	8,972

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

Consolidated	Land	Buildings	Telecom plant and equipment	Other assets	Capital work- in- progress	Total
	TZS" mil	TZS" mil	TZS" mil	TZS" mil	TZS" mil	Total TZS" mil
Cost						
At 1 July 2023	133,477	75,383	585,864	31,223	15,715	841,662
NICTBB PPE	-	15,146	383,522	6,901	156,478	562,047
NIDC PPE	-	-	101,440	1,225	-	102,665
Additions	67	-	106	4,270	105,976	110,419
Transfers to FAR from WIP	-	4,357	23,075	-	(27,432)	-
Write Off	-	-	-	-	(388)	(388)
Valuation	-	-	-	-	-	-
Adjustment for change in ARO estimates	-	-	(126)	-	-	(126)
At 30 June 2024	133,544	94,886	1,093,881	43,619	250,349	1,616,279
Accumulated Depreciation						
At 1 July 2023	-	11,490	417,705	25,138	-	454,333
Accumulated depreciation-NICTBB	-	3,458	172,358	6,901	-	182,717
Accumulated depreciation-NIDC	-	-	1,133	38	-	1,171
Charge for the year	-	1,562	33,575	1,122	-	36,259
At 30 June 2024	-	16,510	624,771	33,199	-	674,480
Accumulated Impairment						
At 1 July 2023	-	-	34,262	-	-	34,262
Impairment for the year	-	-	-	-	-	-
At 30 June 2024	-	-	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.

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

19 PROPERTY PLANT AND EQUIPMENT (PPE) Separate	Land	Buildings	Telecom plant and equipment	Other assets	Capital work-in-progress	Total
	TZS" mil	TZS" mil	TZS" mil	TZS" mil	TZS" mil	TZS" mil
Cost						
At 1 July 2024	133,543	94,886	1,093,914	43,588	250,316	1,616,246
Transfers between Classes	-	-	984	(984)	-	-
Additions	125	-	-	738	71,361	72,224
Transfer to the subsidiary company	-	-	-	(72)	-	(72)
Transfers to FAR From WIP	-	547	83,261	-	(83,808)	-
Disposal during the year	-	-	-	(988)	-	(988)
Transfer to P&L from WIP	-	-	-	-	(887)	(887)
Additions due to ARO estimates	-	-	21	-	-	21
At 30 June 2025	133,668	95,433	1,178,180	42,282	236,982	1,686,544
Accumulated Depreciation						
At 1 July 2024	-	16,510	624,771	33,173	-	674,454
Charge for the year	-	1,772	45,871	1,166	-	48,808
Transfer to TPESA Limited	-	-	-	(39)	-	(39)
Transfers between Classes	-	-	103	(103)	-	-
Disposal during the year	-	-	-	(858)	-	(858)
At 30 June 2025	-	18,282	670,745	33,339	-	722,366
Accumulated Impairment						
At 1 July 2024	-	-	34,262	-	-	34,262
At 30 June 2025	-	-	34,262	-	-	34,262
Net carrying amount						
At 30 June 2025	133,668	77,151	473,173	8,943	236,982	929,916

As at 30 June 2025, 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.

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

OTHER ASSETS 2025

Other Assets	Motor Vehicles TZS" mil	Furniture & Office Equipment TZS" mil	Computers And IT Equipment TZS" mil	TOTAL TZS" mil
Cost				
At 1 July 2024	17,171	13,468	12,949	43,588
Transfers	-	34	(1,018)	(984)
Transfer to TPESA Limited	-	(16)	(55)	(72)
Additional	-	340	398	738
Disposal	(941)	(46)	-	(988)
	16,230	13,780	12,273	42,282
Accumulated depreciation				
At 1 July 2024	9,555	12,692	10,926	33,173
Transfers	-	3	(106)	(103)
Transfer to TPESA Limited	-	(11)	(28)	(39)
Charge for the year	836	130	200	1,166
Disposal	(812)	(46)	-	(858)
	9,579	12,767	10,993	33,338
Net carrying amount	6,651	1,013	1,280	8,944

Separate	Land TZS" mil	Building 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	133,476	75,383	585,896	31,193	15,683	841,630
NICTBB PPE	-	15,146	383,522	6,901	156,478	562,047
NIDC PPE	-	-	101,440	1,225	-	102,665
Additions	67	-	106	4,269	105,976	110,419
Transfers to Intangible (From WIP)	-	-	-	-	-	-
Transfers to FAR From WIP	-	4,357	23,076	-	(27,432)	-
Disposal during the year	-	-	-	-	-	-
Write Off	-	-	-	-	(388)	(388)
Valuation	-	-	-	-	-	-

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

Adjustment for change in ARO estimates	-	-	(126)	-	-	(126)
At 30 June 2024	133,543	94,886	1,093,914	43,588	250,317	1,616,246
Accumulated Depreciation						
At 1 July 2023	-	11,490	417,706	25,116	-	454,312
Charge for the year	-	1,562	33,575	1,118	-	36,254
Accumulated depreciation-NICTBB	-	3,458	172,358	6,901	-	182,718
Accumulated depreciation-NIDC	-	-	1,133	38	-	1,170
Disposal during the year	-	-	-	-	-	-
At 30 June 2024	-	16,510	624,772	33,173	-	674,454
Accumulated Impairment						
At 1 July 2023	-	-	34,262	-	-	34,262
At 30 June 2024	-	-	34,262	-	-	34,262
Net carrying amount						
At 30 June 2024	133,543	78,376	434,880	10,415	250,317	907,530

As at 30 June 2025, 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.

MORTGAGED PROPERTIES TO TIB DEVELOPMENT BANK

S/N	DESCRIPTION	VALUE IN TZS
1	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
3	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
5	Plot No. 111 Block "3" Sisima Area, Mbeya City	1,257,000,000.00
6	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
9	Plot No. 96 Block A Section 1 Moshi Municipality In Kilimanjaro region	2,793,000,000.00
10	Plot with Title Plan No. DP151/93 Situated at Kijangwani Urban and Western Region of Unguja	4,688,000,000.00
11	Plot No. 283/64 Zanaki Kaluta/India street In Dar es salaam City	7,659,000,000.00
12	Plot No. 717/6 Mikochehi area, Kinondoni Municipality, Dar es salaam city	17,298,000,000.00
	TOTAL TZS	42,818,000,000.00

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

PROPERTIES FOR MORTGAGE WITH NMB BANK

S N	PLOT & BLOCK	TERM	TITLE NO.	PLOT SIZE IN SQM	VALUE IN TZS
1	Plot No. 61 & 64 - Arusha Municipality	99Yrs w.e.f 1.10.1969-30.9.2068	055019/59	1010.8	3,369,000,000.00
2	Plot No. 336 Block 'A' Usa River-Arumeru District	99Yrs w.e.f 1.10.1992 - 30.9.2091	11308Sub Title No. 14965	9584	925,000,000.00
3	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
5	Kurasini Telephone Exchange Plot -Temeke District	99Yrs w.e.f. 1.1.1968 -31.12.2067	17242	1411.2	382,000,000.00
6	Kawe Post Office & Tel. Exchange Plot, Kinondoni District	99Yrs w.e.f 1.1.1966 - 31.12.2065	17518 Subtitle No. 50636	929.96	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	660,000,000.00
8	Tel. Exchange Plot-Observation Hill, Kinondoni District	99Yrs w.e.f 1.1.1964 - 31.12.2063	16194	930.78	207,000,000.00
9	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
11	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
13	Plot No. 87 Block "B" Mikocheni -Kinondoni District	99Yrs w.e.f 1.4.1995 - 31.3.2094	45346	288	147,000,000.00
14	Plot no. 635 block "H" Mbezi Beach - Kinondoni District	33Yrs w.e.f 1.4.1995 - 30.3.2028	45348	972	160,000,000.00
15	Plot No. 1073 Block "48" Kigamboni-Temeke District	33Yrs w.e.f 1.10.1995 - 30.9.2028	45757	2111	295,000,000.00
16	Plot No. 284 Block "A" Mbezi Luguruni-Kinondoni District	99 Yrs w.e.f. 1.7.1999-30.6.2098	49663	14270	304,000,000.00
17	Plot No. 1111 Karakata - Temeke District	99 Yrs w.e.f. 1.7.1999-30.6.2098	50764	937	203,000,000.00
18	Plot No. 124/1,125/1, 126/1,127/1,129/1 Block "J" Salasata Kunduchi Area DSM	99 Yrs w.e.f 1.1.2001 - 31.12.2098	51868	3379	209,000,000.00
19	Plot No. 721 Block II Simu Street, Central Area	99Yrs 1.1.1995 - 31.12.2094	49190	2095.5	4,352,000,000.00

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20	Plot No. 689/1/1 & 689/2/1 at Mikocheni area, Kinondoni Municipality	99Yrs w.e.f 01.04.2008 - 31.03.2107	86013	2691	1,473,000,000.00
21	Plot No. 479 Block 'A', Rombo Mkuu District	99Yrs w.e.f 1.10.1979 - 30.9.2078	11377 Sub title No. 14875	3427.2	427,000,000.00
22	Plot 3/1 Marangu PO&TE, Moshi District	99Yrs w.e.f 1.1.1980 - 31.12.2079	11127 sub title No.14960	3833	245,000,000.00
23	Plot No. 1 Petershoff Area-Moshi Municipality	99Yrs w.e.f 1.7.1974-30.6.2073	12737	2508	237,000,000.00
24	Plot No. 682/2 Block A, Hai District-Boma Ng'ombe Urban Area	99 Yrs w.e.f. 1.1.2000-31.12.2099	15272LRM	9435	129,000,000.00
25	Plot No. 47 post office Nansio Urban Area,	99Yrs w.e.f 1.7.1972 - 30.6.2071	19275 Sub Title No. 13383	5289	208,000,000.00
26	Plot No. 33 New Industrial Area Mkuuyuni-Mwanza Municipality	99Yrs w.e.f 1.7.95 - 30.6.2094	11039	2310	118,000,000.00
27	Plot No. 266 Block D Nyashana ISAMILO-Mwanza Municipality	33Yrs w.e.f 1.10.1989 - 30.9.2022	11037	2453	155,000,000.00
28	Plot No. 365/1 Kirumba Valley-Mwanza Municipality	99Yrs w.e.f 1.10.1995 - 30.9.2094	11174	1207	124,000,000.00
29	Plot No. 113 Block "K". Geita District	99Yrs w.e.f 1.10.2000-30.9.2099.	13501 Sub Title No. 13506	12474	265,000,000.00
30	Plot No. 64 Block "K" Central Area Mwanza City	99Yrs w.e.f 1/7/2012 - 30/6/2111	40813	2474	4,449,000,000.00
31	Plot No. 62 Block "K" Central Area, Mwanza City	99 YRS with effect from 1/10/2011 - 31.09.2110	37372	3231	4,994,000,000.00
32	Plot No. 29,31,271/30 and 272/30 Samora Avenue - DSM CITY	99Yrs w.e.f 1.1.1964 - 31.12.2063	186607/64	1,853	29,323,000,000.00
33	Plot No. 1839 Msasani DSM City - Kinondoni District;	99Yrs w.e.f 1.1.1984 - 31.12.2082	45349	5,358	2,700,000,000.00
34	Plot No. 76A Karume/ Haile Sellassie Road O'Bay Dsm City	99Yrs w.e.f 1.10.1994 - 30.9.2093	186037/27	2,089	3,320,000,000.00
35	Plots No. 1080 Upanga Central Area, DSM City	33Yrs w.e.f 1.7.1993 - 30.6.2026	186166/121	705	1,224,000,000.00
36	Plot No. 2 Block "G" Central Area Songea	66Yrs w.e.f 1.10.1993-30.9.2059	7390 MBYLR	3,237	2,180,000,000.00
37	Plot No 249 Pugu Road	33Yrs w.e.f 1.7.1995-30.6.2028	51000 Sub Title No. 51104	2,090	2,017,000,000.00
38	Plot No 7 Block "I" Kariakoo	33Yrs w.e.f 1.4.1995 - 31.3.2028	47628	191	1,070,000,000.00
39	Plot No 9/2 Block KB II Central Area Tanga	99Yrs w.e.f 1.10.2020- 30.9.2119	2133TNG	1,456	1,372,000,000.00
40	Plot at Maruhubi Unguja magharibi	33Yrs w.e.f 22.12.93-21.11.2026	148/93	11733	1,273,000,000.00
41	Plot No.1, 2, 40 & 41 Block "A" Tabora Municipality	99Yrs w.e.f. 1.1.2020 - 31.12.2118	12537TBR	1628	1,006,000,000.00

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

42	Plot No 350 Madungu Chake chake Pemba	33Yrs w.e.f 14/3/2013 - 13/3/2046	1250/13	1332	655,363,440.00
43	Plot No.141 Block 2-Tabora Municipality	33Yrs w.e.f 1.10.1995-30.9.2028	12466	6269	608,000,000.00
44	Plot No.8 Block T Bagamoyo Urban Area	99YRS w.e.f 01.04.2012 - 31.03.2111	94620	7588	592,000,000.00
45	Plot No.3 Block H Medium Density Boma Area Sumbawanga	66Yrs w.e.f 1.4.1995 - 31.3.2061	7221MBYLR	4564	534,000,000.00
46	PLOT at Biharamulo Urban Area	99Yrs w.e.f 1.1.1974-31.12.2072	258MZLR	2180	508,000,000.00
47	Plot No.56-60 Block A Ngara Urban Area	99Yrs w.e.f 1.7.1997-30.6.2096	11186	2757	503,000,000.00
48	Post office plot Commercial/residential Nachingwea	99Yrs w.e.f 1.7.1970 - 30.6.2069	18761Sub title No.1279 MTW	1349	417,000,000.00
49	Plot No 12 Singida	99Yrs w.e.f 1.7.1988-30.6.2087	6886-DLR	2135	339,000,000.00
50	Commercial Institution Plot No. 916 & 917 Block "Z" Wailes Lindi Township	33Yrs w.e.f 1.7.1989-30.6.2022	369MTW	4192	291,000,000.00
	TOTAL				76,014,363,440.00

20 INTANGIBLE ASSETS

Consolidated	Regulatory license fee TZS" mil	Microsoft license fee TZS" mil	EASSy Cable use rights TZS" mil	Other licences TZS" mil	Total TZS" mil
Cost					
At 1 July, 2024	1,005	2,700	3,891	14,357	21,954
Additions	-	2,197	-	-	2,197
At 30 June 2025	1,005	4,897	3,891	14,357	24,151
Accumulated Amortization					
At 1 July, 2024	949	2,036	3,514	1,608	8,107
Charge for the year	40	-	-	156	196
At 30 June 2025	990	2,036	3,514	1,763	8,303
Accumulated Impairment					
At 1 July, 2024	-	-	-	1,580	1,580
Impairment during the year	-	-	-	-	-
At 30 June 2025	-	-	-	1,580	1,580
Net carrying amount					
At 30 June 2025	15	2,861	377	11,014	14,268
Cost					
At 1 July, 2023	1,005	2,036	3,891	11,976	18,909

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

NICTBB Intangible	-	-	-	-	2,381	2,381
NIDC Intangible	-	43	-	-	43	43
Additions	-	621	-	-	621	621
At 30 June 2024	1,005	2,700	3,891	14,357	21,954	21,954
Accumulated Amortization						
At 1 July, 2023	909	2,036	3,514	1,452	7,911	7,911
Charge for the year	40	-	-	156	196	196
At 30 June 2024	949	2,036	3,514	1,608	8,107	8,107
Accumulated Impairment						
At 1 July, 2023	-	-	-	1,580	1,580	1,580
Impairment during the year	-	-	-	-	-	-
At 30 June 2024	-	-	-	1,580	1,580	1,580
Net carrying amount						
At 30 June 2024	56	664	377	11,170	12,267	12,267

20 INTANGIBLE ASSETS (Continued)
Separate

	Regulatory licence fee TZS" mil	Microsoft licence fee TZS" mil	EASSy Cable use rights TZS" mil	Other licences TZS" mil	Total TZS" mil
Cost					
At 1 July, 2024	1,005	2,700	3,891	14,357	21,954
Additions	-	2,197	-	-	2,197
At 30 June 2025	1,005	4,897	3,891	14,357	24,151
Accumulated Amortization					
At 1 July, 2024	949	2,036	3,514	1,608	8,107
Disposal	-	-	-	-	-
Charge for the year	40	-	-	156	196
At 30 June 2025	990	2,036	3,514	1,763	8,303
Accumulated Impairment					
At 1 July, 2024	-	-	-	1,580	1,580
Impairment during the year	-	-	-	-	-
At 30 June 2025	-	-	-	1,580	1,580
Net carrying amount					
At 30 June 2025	15	2,861	377	11,014	14,268
Cost					

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

At 1 July, 2023	1,005	2,036	3,891	11,976	18,909
NICTBB Intangible	-	-	-	2,381	2,381
NIDC Intangible	-	43	-	-	43
Additions	-	621	-	-	621
At 30 June 2024	1,005	2,700	3,891	14,357	21,954
Accumulated Amortization					
At 1 July, 2023	909	2,036	3,514	1,452	7,911
Charge for the year	40	-	-	156	196
At 30 June 2024	949	2,036	3,514	1,608	8,107
Accumulated Impairment					
At 1 July, 2023	-	-	-	1,580	1,580
Impairment during the year	-	-	-	-	-
At 30 June 2024	-	-	-	1,580	-
Net carrying amount					
At 30 June 2024	56	664	377	11,170	12,267

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.

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

21 INVESTMENT PROPERTY

	Valuation at 30 June 2023	Additions	Change in Fair value	Valuation at 30 June 2024	Additions	Change in Fair value	Valuation at 30 June 2025
TTCL House	TZS" mil 17,298	TZS" mil -	TZS" mil 723	TZS" mil 18,021	TZS" mil -	TZS" mil 2,321	TZS" mil 20,342
Ex-Posta Club	4,647	-	530	5,177	-	1,250	6,428
Total	21,945	-	1,253	23,198	-	3,571	26,770

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 23,198 million is based on an open market valuation as of 30 June, 2024 that was performed by an independent valuer, Trace Associates Ltd. The independent valuer, Trace Associates Ltd reassessed the fair value as at 30 June, 2025 to be TZS 26,770 million and concluded that the estimated fair value has increased by TZS 3,571 million compared to 30 June, 2024.

Key inputs into valuation of investment property:

Significant unobservable inputs	Range (weighted average)
Estimated rental value per square meter per month	2025 TZS 10,000 to TZS 40,000 (Average of TZS 25,000)
Rent growth per annum	2024 TZS 20,800 to TZS 52,000 (Average of TZS 36,400) 0% - 3% (Average of 1.5%)

Valuation techniques for investment property:

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

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 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 this fair value hierarchy.

21 INVESTMENT PROPERTY (Continued)

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

	2025	2024
TTCL House	TZS" mil 235	TZS" mil 240
Ex-Posta Club	146	46
	381	286

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

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

	2025		
	TTCL House TZS" mil	Ex Posta Club TZS" mil	Total TZS" mil
Maintenance & Repairs	-	-	-
Ground & Property rent	12	4	16
Cleaning Services	4	-	4
Security Service	10	-	10
Electricity	44	-	44
Water	8	-	8
Total	78	4	82

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

There was no sale of investment property during the year and in the previous year. As at 30 June 2025, there were no restrictions on the reliability 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.

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

	Consolidated		Separate	
	2025 TZS" mil	2024 TZS" mil	2025 TZS" mil	2024 TZS" mil
22 OTHER INVESTMENTS				
Opening balance	1,129	1,129	1,129	1,129
Accumulated impairment	(1,129)	(1,129)	(1,129)	(1,129)
Closing balance	-	-	-	-

Rascom is a regional satellite communications organization whose primary objective is to establish a dedicated satellite system for Africa. The Corporation's investment in Rascom amounted to US\$ 1,134,456, equivalent to TZS 1,129,171,228, as at 30 June 2025 and 30 June 2024, representing an approximate 3.16% equity stake in the organization. The investment has been fully impaired, as it is considered unlikely that sufficient future income will be generated to recover the carrying amount 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	5,154	24,861	5,154	24,861
Expensed in the year	(1,258)	(2,457)	(1,258)	(2,457)
NICTBB expensed in the year Write Off	-	(17,250)	-	(17,250)
Closing balance	<u>3,896</u>	<u>5,154</u>	<u>3,896</u>	<u>5,154</u>
Current portion	1,258	1,258	1,258	1,258
Noncurrent portion	2,638	3,896	2,638	3,896
	<u>3,896</u>	<u>5,154</u>	<u>3,896</u>	<u>5,154</u>

24 INVENTORIES

Engineering stores	10,035	6,754	10,035	6,754
Saleable Items	2,081	2,392	2,081	2,392
Office Consumables and Marketing	73	129	73	129
	<u>12,190</u>	<u>9,275</u>	<u>12,190</u>	<u>9,275</u>
Provision for impairment of obsolete inventories	(1,444)	(1,775)	(1,444)	(1,775)
	<u>10,746</u>	<u>7,500</u>	<u>10,746</u>	<u>7,500</u>

Movement in the provision for

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

Opening balance	1,775	2,410	1,775	2,410
Decrease in Provision	(331)	(635)	(331)	(635)
Closing balance	<u>1,444</u>	<u>1,775</u>	<u>1,444</u>	<u>1,775</u>

25 INCOME TAX RECOVERABLE	CONSOLIDATION		SEPARATE	
	2,025	2,024	2,025	2,024
At 1 July	2,597	2,865	2,610	2,875
Current income tax for the year	(4)	(268)	-	(262)
Income tax adjustment	447	-	447	-
Transfer during the year	2,791	-	2,791	-
	<u>5,831</u>	<u>2,597</u>	<u>5,848</u>	<u>2,613</u>

26 GOVERNMENT TRADE RECEIVABLES

Government trade debtors	38,283	35,094	38,283	35,094
	<u>38,283</u>	<u>35,094</u>	<u>38,283</u>	<u>35,094</u>
Provision for impairment losses	(5,985)	(1,932)	(5,940)	(1,905)
	<u>32,298</u>	<u>33,163</u>	<u>32,343</u>	<u>33,189</u>

The movement on the provision for impairment of Government trade receivables is as analyzed below:

Opening balance	1,932	11,616	1,906	11,599
Increase/(Decrease) impairment during the year	4,053	(9,684)	4,034	(9,694)
Closing balance	<u>5,985</u>	<u>1,932</u>	<u>5,940</u>	<u>1,906</u>

27 TRADE AND OTHER RECEIVABLES	Consolidated		Separate	
	2025	2024	2025	2024
	TZS" mil	TZS" mil	TZS" mil	TZS" mil
Telephone trade receivables	45,387	43,249	45,387	43,249
Other trade receivables	222,626	68,938	222,377	68,781
Amounts due from other parties	405	150	126	16
Withholding tax recoverable	67	1,844	2	1,795
Sundry receivables	2,077	2,437	962	845
	<u>270,563</u>	<u>116,618</u>	<u>268,854</u>	<u>114,686</u>
Less:				
Provision for impairment losses - trade debtors	(56,296)	(59,634)	(56,289)	(59,609)

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

Provision for impairment losses - others	(4,524)	(4,524)	(4,524)	(4,524)
Sub-total	(60,820)	(64,158)	(60,813)	(64,133)
Net trade and other receivables	209,743	52,460	208,043	50,553

The movement on the provision for impairment of trade and other receivables is as analyzed below:

Opening balance	64,158	63,794	64,133	63,783
Additional impairment during the year	(3,338)	364	(3,320)	350
Closing balance	60,820	64,158	60,813	64,133

****Trade and other Receivable:** The movement reflects payments made by certain NICTBB clients to the Ministry of Information and Communication's bank account, totaling TZS 16,430 million. This amount is recorded under the NICTBB Government Receivable (IRU) in Note 45.

28 PREPAYMENTS AND DEPOSITS

Advance payments	3,392	1,358	3,392	1,358
Prepayments for services	899	1,073	899	1,073
	4,291	2,431	4,291	2,431

29 CASH AND BANK BALANCES

Cash in hand	0	2	-	2
Cash at bank	80,424	19,417	79,384	18,702
Unrestricted cash and bank balances	80,424	19,419	79,384	18,704
Restricted cash and bank balances				
Short term deposits*	624	2,784	624	2,784
	624	2,784	624	2,784
	81,048	22,203	80,008	21,488

*Relates to bank guarantee deposits at TIB and NMB.

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

30	SHARE CAPITAL	Consolidated		Separate	
		2025	2024	2025	2024
		TZS" mil	TZS" mil	TZS" mil	TZS" mil
	Authorized 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	370,465	370,465	370,465	370,465
	Additional Capital from Shareholders	527,147	-	527,147	-
	TOTAL CAPITAL	897,612	370,465	897,612	370,465
<p>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 a 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.</p>					
<p>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.</p>					
<p>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 decided to convert the Government Loan amounted to TZS 76600 million into equity.</p>					
<p>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 30 June, 2024. TTCL obtained additional capital of TZS 323 billion relating to NICTBB infrastructures while TZS 101 billion was relating to NIDC infrastructures.</p>					
31	SHARE DISCOUNT				
	Movement in the share discount for				
	Opening balance	(48,619)	(48,619)	(48,619)	(48,619)

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

	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)	45,906	36,949	45,906	36,949
	Airtime revenue	2,701	2,668	2,701	2,668
	Deferred income-prepaid - TTCL	243,897	28,180	243,897	28,180
		292,504	67,797	292,504	67,796
32(a)	Movement of Deferred income-prepaid - NICTBB				
	Opening balance of Deferred Income Prepaid NICTBB	25,251	29,345	25,251	29,345
	Movement during the period	(7,896)	(4,095)	(7,896)	(4,095)
	Closing balance of Deferred Income Prepaid NICTBB	17,355	25,251	17,355	25,251
	Analysis of current and noncurrent portion of deferred revenue:				
	Current portion	39,196	9,085	39,196	9,085
	Non-current portion	253,309	58,712	253,309	58,712
		292,505	67,797	292,505	67,797

33 RETIREMENT BENEFIT OBLIGATION	Consolidation		Separate	
	2025	2024	2025	2024
	TZS" mil	TZS" mil	TZS" mil	TZS" mil
Retirement benefit payable	<u>7,596</u>	<u>8,328</u>	<u>7,596</u>	<u>8,328</u>
(a) Changes in the obligations				
Opening balance	8,328	6,818	8,328	6,818

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

Charge to profit or loss				
Current service cost	253	605	253	605
Interest cost (discount unwinding)	951	682	951	682
	<u>1,204</u>	<u>1,287</u>	<u>1,204</u>	<u>1,287</u>
Charge/(credit) to other comprehensive income				
Net actuarial Loss (Gain) - due to experience	(90)	521	(90)	521
Net actuarial Loss / (Gain) - due to changes in assumptions	(412)	1,510	(412)	1,510
	<u>(502)</u>	<u>2,031</u>	<u>(502)</u>	<u>2,031</u>
Benefits paid during the year	<u>(1,434)</u>	<u>(1,808)</u>	<u>(1,434)</u>	<u>(1,808)</u>
Closing balance	<u><u>7,596</u></u>	<u><u>8,328</u></u>	<u><u>7,596</u></u>	<u><u>8,328</u></u>

The Corporation operates an unfunded non-contributory employee gratuity arrangement (the "Arrangement"), which provides a benefit equal to TZS 20 million for those employees who worked above 30 years, TZS 15 million for those who worked between 15-29 years, TZS 10 million for those who worked between 6-14 years and TZS 5 million for those who worked between 1-5 years 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:

	Consolidation		Separate	
	2025	2024	2025	2024
	TZS" mil	TZS" mil	TZS" mil	TZS" mil
Present value of unfunded obligations	8,328	6,818	8,328	6,818
Unrecognised actuarial Loss (Gain)	(732)	1,510	(732)	1,510
Closing balance	<u><u>7,596</u></u>	<u><u>8,328</u></u>	<u><u>7,596</u></u>	<u><u>8,328</u></u>

(b) Principal assumptions used

The principle actuarial assumptions used were as follows:

	Consolidation		Separate	
	2025	2024	2025	2024
Discount rate (% p.a.)	13.90%	12.29%	13.90%	12.29%
Future salary increase (% p.a)	5.00%	4.50%	5.00%	4.50%
Mortality (pre-retirement)	A1949-1952	KE0710	A1949-1952	KE0710
Retirement age (years)	<u>60</u>	<u>60</u>	<u>60</u>	<u>60</u>

(c) Number of employees

Opening balance	1,129	1,213	1,129	1,213
New entrants	10	19	10	19
Withdrawals	(17)	(9)	(17)	(9)
Death	(1)	(5)	(1)	(5)

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

Retirement	(58)	(89)	(58)	(89)
Closing balance	1,063	1,129	1,063	1,129

A quantitative sensitivity analysis for significant assumption as at 30 June 2025 is, as shown below:

Significant actuarial assumptions				
Discount rate at 30 June	0.139	0.1229	0.139	0.1229
Future annual salary increases	0.05	0.045	0.05	0.045
Interest/inflation rate	0.033	0.035	0.033	0.035
		60		60
Retirement age	60 years	years	60 years	years

Sensitivity analysis

The assumptions with the greatest impact on the results are:

Discount rate:				
0.5% increase	956	685	956	685
0.5% decrease	946	679	946	679
Future salary increases:				
0.5% increase	1,442	1,817	1,442	1,817
0.5% decrease	1,427	1,799	1,427	1,799

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)	1,434	1,808	1,434	1,808
Between 2 and 5 years	5,737	7,233	5,737	7,233
Between 5 and 10 years	7,172	9,042	7,172	9,042
Beyond 10 years	14,344	18,084	14,344	18,084
Total expected payments	28,687	36,167	28,687	36,167

The average duration of the retirement benefit obligation at the end of the reporting period is 42.9 years (2024: 43years).

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.

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

34 TRADE AND OTHER PAYABLES	Consolidated		Separate	
	2025 TZS" mil	2024 TZS" mil	2025 TZS" mil	2024 TZS" mil
Trade payables	121,605	**208,076	121,605	**208,076
International trade payables	54	54	54	54
Interconnect payables	0	851	-	851
Related party payables	405	152	405	**381
Social security costs	377	395	377	395
Excise Duty and Service Levy Payable	7,258	7,406	7,255	7,403
Value Added Tax (VAT)	25,537	21,448	25,516	21,398
Regulatory costs	1,818	4,869	1,818	4,869
Suppliers' retentions	9,902	4,346	9,902	4,346
Dividend payable	503	503	503	503
Other payables	3,030	491	987	313
Tax assessment Liability	59,960	62,485	59,960	62,485
Income Tax payable	1,265	1,174	1,248	1,164
	231,714	312,250	229,630	312,238

****Prior Year Adjustment:** Due to the reported loss in TEMESA resulting from the failure of KIVUKONI NCARD gate payments, a loss of TZS 92 million occurred in the 2023/24 financial year and was initially reported under the subsidiary (TPESA). After further discussion, it was determined that the loss should be reported by TTCL Corporate. Since the payment had already been made by the subsidiary to TEMESA, the adjustment was made in the intercompany payable to correct the reporting error in the TTCL Corporation financial statement.

****Trade payables**

The decrease of Trade Payables was most contributed by derecognition of TCRA Payable Balance TZS 85,226 million into Share Capital as according to Treasury letter NO. CAB.337/405/01/34 and CB238/501/01/17, after convert the debt of the TTCL Corporation owed to the Tanzania Communications Regulatory Authority (TCRA) into government equity.

35 PROVISIONS

Legal claims

Opening balance	571	485	571	485
Additions during the year	(435)	86	(435)	86
Closing balance	136	571	136	571

Asset Retirement Obligation

Opening balance	1,459	1,609	1,459	1,609
Impact of change in estimates	182	(150)	182	(150)
Increase in ARO asset	21	-	21	-

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

Closing balance	1,662	1,459	1,662	1,459

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:

	Consolidate d 2025 TZS" mil	Consolidate d 2024 TZS" mil	Separate 2025 TZS" mil	Separate 2024 TZS" mil
Sale of services				
TTCL PESA Limited	-	-	-	-

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

	Consolidate d 2025 TZS" mil	Consolidate d 2024 TZS" mil	Separate 2025 TZS" mil	Separate 2024 TZS" mil
Purchase of services				
TTCL PESA Limited	-	-	391	784

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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:

Name of director	Consolidate	Consolidati	Separate	Separate
	2025	2024	2025	2024
	TZS" mil	TZS" mil	TZS" mil	TZS" mil
1 David Carol Nchimbi Gen Method Kamugisha	9	-	9	-
2 Matunda	-	7	-	7
3 Kapwete Leah John	6	-	6	-
4 Khalfan Salim Suleiman	6	-	6	-
5 Mohamed Ame Makame	6	-	6	-
6 Meshack Joram Anyingisye	6	-	6	-
7 Onorius John Njole	6	10	6	10
8 Saudin Jacob Mwakaje	6	-	6	-
9 Mtumwa Said Sandal	-	13	-	13
10 Rajab Uweje Yakoub	-	16	-	16
11 Zuhura Sinare Muro	-	17	-	17
12 Straton Richard Makundi	1	-	1	-
13 Martin Warioba	1	-	1	-
14 Richard M. Mayongela	12	13	-	13
15 Nkoba Eliezer Mabula	-	11	-	11
16 Mwamini Tully	-	2	-	2
17 Method Kamugisha	-	10	-	10
18 Agatha Keenja Brig. Gen. Ramadhani Addul	-	2	-	2
19 Kimweri	-	6	-	-
20 Maduhu Isaac Kazi	-	5	-	-
21 Mary Kinabo	10	10	-	-
22 Deogratius Charles Kwiyuka	-	5	-	-
23 Irene M. Mlola	10	5	-	-
24 Anselm Missango	10	5	-	-
25 Salum Awadh	10	5	-	-
TOTAL	99	141	47	100

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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.

	Consolidate d 2025 TZS" mil	Consolidati on 2024 TZS" mil	Separate 2025 TZS" mil	Separate 2024 TZS" mil
Salaries and wages	1,376	920	1,283	754
Social security contributions	139	111	125	84
	<u>1,515</u>	<u>1,031</u>	<u>1,408</u>	<u>838</u>

The following balances were due to/from related parties as at year-end:

Payables to related party

T-PESA Company Limited	405	-	405	364
	<u>405</u>	<u>-</u>	<u>405</u>	<u>364</u>

Receivables from related party

TTCL PESA Limited	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<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	3,518	40,295	3,518	40,295
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The capital commitments will be financed by both borrowing facilities and the Corporation's internal resources.

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

CAPITAL MANAGEMENT

Total borrowings				
Less: Cash and cash equivalents	(81,048)	(22,203)	(80,008)	(21,488)
Net debt	(81,048)	(22,203)	(80,008)	(21,488)
Total equity	698,004	512,428	702,956	515,092
Total capital	616,956	490,225	622,948	493,604
Gearing ratio	n/a	n/a	n/a	n/a

*The Corporation had no debt as at 30 June 2025 and 30 June 2024.

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

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

(B) LITIGATIONS

As at 30 June 2025, 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	LOW
2	TTCL VS Alphonce Ivo Jumbe	5,500,000	LOW
3	TTCL VS Tilisho Security Group Company Limited	114,500,000	LOW
	TOTAL	136,000,000	

40. ULTIMATE CONTROLLING ENTITY

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

41 INVESTMENT IN TTCL PESA LIMITED	Consolidated		Separate	
	2025	2024	2025	2024
	TZS" mil	TZS" mil	TZS" mil	TZS" mil
Capital to subsidiary	-	-	5,241	3,867
Addition Investment	-	-	845	1,374
Impairment of Investment			(511)	
Total investment to TTCL PESA Limited	-	-	5,575	5,241

The Corporation established TTCL PESA Limited on 4th July 2017 in which TTCL holds 99% of the shares while the remaining 1% is held by the Treasury Registrar and it is responsible for delivering mobile money services. The subsidiary was incorporated under the Companies Act, 2002 and operates as an independent entity with its own Board of Directors, Management, and Employees. Furthermore, TTCL PESA Limited is regulated by the Bank of Tanzania pursuant to the provisions of the National Payment Systems Act, 2015 and its associated regulations.

42 GRANTS	Consolidated		Separate	
	2025	2024	2025	2024
	TZS" mil	TZS" mil	TZS" mil	TZS" mil
Opening balance				
Government Grants	118,914	35,032	118,914	35,032
Customer Funded Projects	4,926	4,413	4,926	4,413
	123,840	39,445	123,840	39,445
Restatement				
Government Grants	-	(5,418)	-	(5,418)
	-	(5,418)	-	(5,418)
Restated Opening balance	123,840	34,027	123,840	34,027
Amount received during the year				
Government Grants	16,031	91,195	16,031	91,195
Customer Funded Projects	613	2,365	613	2,365
Total Amount Received	16,644	93,560	16,645	93,560
Amortization	(3,240)	(3,679)	(3,240)	(3,679)

TANZANIA TELECOMMUNICATIONS CORPORATION (TTCL)

Transfer to Share Capital**	(85,000)	-	(85,000)	-
	(71,596)	89,881	(71,596)	89,881
Closing balance	52,243	123,908	52,244	123,908
Government Grants	49,667	118,914	49,667	118,914
Customer Funded Projects	4,734	4,926	4,734	4,926
Total	54,401	123,840	54,401	123,840

Transfer to Share Capital**

TZS 85,000,000,000 was Funds from the government to finance NICTBB Expansion projects in 2023 before NICTBB transferred to TTCL. Before receiving Transfer Deed, the Amount was recorded under Government Grants, and then was transferred from Government Grants to Share Capital after receiving the Transfer Deed.

	Consolidated			Separate
	2025	2024	2025	2024
	TZS" mil	TZS" mil	TZS" mil	TZS" mil
43 REVALUATION RESERVE				
At start of the year	205,318	205,318	205,318	205,318
Deferred tax on revaluation	(144)	-	(144)	-
At end of the year	<u>205,174</u>	<u>205,318</u>	<u>205,174</u>	<u>205,318</u>
44 ACCUMULATED LOSSES				
At start of the year	(371,827)	(356,609)	(369,164)	(354,574)
Prior year adjustments	(674)	-	-	(92)
Profit for the year	15,523	(62,091)	17,136	(61,370)
Accumulated profit from NICTBB	-	43,674	-	43,674
Accumulated profit from NIDC	-	3,199	-	3,199
At end of the year	<u>(356,979)</u>	<u>(371,827)</u>	<u>(352,028)</u>	<u>(369,164)</u>
45 GOVERNMENT RECEIVABLE_NICTBB IRU				
GOVERNMENT RECEIVABLE_NICTBB IRU	19,512	3,082	19,512	3,082
	<u>19,512</u>	<u>3,082</u>	<u>19,512</u>	<u>3,082</u>
Analysis of current and noncurrent portion of deferred revenue:				
Current portion	19,512	413	19,512	413
Non-current portion	-	2,669	-	2,669
	<u>19,512</u>	<u>3,082</u>	<u>19,512</u>	<u>3,082</u>
46 ADVANCE TOWARDS SHARE CAPITAL				
At start of the year	356,921	-	356,921	-
Additional capital from NICTBB	-	255,204	-	255,204
Additional capital from NIDC	-	101,717	-	101,717
Transfer to Share Capital	(356,921)	-	(356,921)	-
	<u>-</u>	<u>356,921</u>	<u>-</u>	<u>356,921</u>

47: CASHFLOW RECONCILIATION

	Consolidated			Separate
	2025	2024	2025	2024
	TZS" mil	TZS" mil	TZS" mil	TZS" mil
Receipt from Customers				
Total Revenue	218,610	173,730	217,952	172,953
Impairment Provision	-	-	-	-
Unrealized foreign exchange (gains)	-	-	-	-
provision for impairment of investment	-	-	511	-

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ICT Capacity	(29,040)	(14,857)	(29,040)	(14,857)
NICTBB Deferred asset amortization	-	9,733	-	9,733
Decrease in Impairment for debtors	-	(1,540)	-	(1,562)
Change in Government Receivables	(3,189)	423	(3,189)	423
Change on other Receivables	(137,513)	18,858	(137,740)	19,300
(Decrease)/Increase in deferred revenue	224,708	5,036	224,708	5,036
(Decrease)/Increase in deferred revenue NICTBB	(7,896)	(4,095)	(7,896)	(4,095)
Decrease/(Increase) in prepaid indefeasible right of use	-	-	-	-
(Gain)/loss on disposal	(140)	-	(140)	-
Amortization of Grants	(3,240)	(3,679)	(3,240)	(3,679)
Cash received From Customers	262,300	183,609	261,926	183,253
Payments to Suppliers				
Cost of Goods Sold	(51,052)	(51,928)	(50,819)	(51,801)
Change in trade and other payables	3,908	(27,520)	2,544	(27,518)
Change in inventories	(3,246)	(1,902)	(3,246)	(1,901)
Decrease/(Increase) in prepayments and deposits	(1,860)	1,570	(1,860)	1,570
Cash paid to suppliers	(52,250)	(79,780)	(53,381)	(79,650)
Operating Expenses				
Sales and marketing expenses	(3,298)	(1,385)	(1,783)	(1,145)
Network operational costs	(50,599)	(38,205)	(51,110)	(38,204)
General and administrative expenses	(43,699)	(54,472)	(43,305)	(54,119)
Obsolete Stock	-	-	-	-
Depreciation of property and equipment	48,818	36,259	48,808	36,254
Amortization of intangible assets	196	196	196	196
Amortization of IRU	1,258	2,457	1,258	2,457
Valuation adjustment on retirement benefits obligation	1,204	1,287	1,204	1,287
Gain on change in ARO estimates	-	(24)	-	(24)
Increase in legal provisions	(435)	86	(435)	86
Impairment of debtors	715	-	714	-
Valuation adjustment on stock	-	-	-	-
Write off of property and equipment	887	388	887	388
Write off of bad debts	-	-	-	0
Unrealized foreign exchange loss	2,968	2,010	2,968	2,010
Cash paid to Operating Expenses	(41,985)	(51,404)	(40,598)	(50,815)
Cash Paid to employees	(49,883)	(48,033)	(49,247)	(47,352)
Interest received	238	520	238	520
Payment to other expenses				
Interest paid	(949)	(247)	(949)	(247)
Dividend paid	-	-	-	-
Retirement benefits obligations paid	(1,434)	(1,808)	(1,434)	(1,808)
Income tax adjustment	447	-	447	-
Cash paid Other Expenses	(1,936)	(2,055)	(1,936)	(2,055)
Net cash flows from operating activities	116,483	2,857	117,002	3,900
Net cash flows from operating activities - SOCF(D)	116,483	2,857	117,002	3,899
Net cash flows from operating activities SOCF(IN)	116,483	2,857	117,002	3,899

48. Prior Year Adjustment

	Consolidation	Separate
Retaining Earnings (Accumulated Loss)	2024	2024
Marketing Expenses	-	(92)
Deferred Tax Expenses	(35,620)	(35,620)

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Intercompany Payables		
Marketing Expenses	-	92
Deferred Tax Liability		
Deferred Tax Expenses	35,620	35,620

****Marketing Expenses:**

In the 2023/24 financial year, a loss amounting to TZS 92 million arose from failed Kivukoni N-Card payment transactions related to TEMESA. The loss was initially recognized under the subsidiary TPESA.

Following further assessment and management discussions, it was determined that the transaction and the related loss did not meet the recognition criteria at subsidiary level and should have been recognized at TTCL Corporate level.

In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, this misclassification was identified as a prior period error. Accordingly, the comparative figures for the 2023/24 financial year have been restated retrospectively to correct the error in the TTCL Corporation financial statements.

The correction had no impact on the consolidated profit or loss, but affected the presentation and allocation of the loss between the parent entity and the subsidiary.

****Deferred Tax liability:**

During the year, the Corporation engaged PwC Tax Consultancy to re-compute its tax position. As a result of this re-computation, the Deferred Tax Liability was adjusted by TZS 35,620 million, increasing the balance from the previously reported amount of TZS 9,298 million to TZS 44,918 million as at the reporting date.

The adjustment arose primarily from inaccuracies identified in the prior tax computation, including the reassessment of temporary differences in accordance with applicable tax legislation and IAS 12 - Income Taxes.

Management has reviewed and accepted the revised computation, and the deferred tax balance has been recognized accordingly in the financial statements.