

THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE

MANAGEMENT LETTER

MANAGEMENT LETTER ON THE FINANCIAL STATEMENTS OF TANZANIA
PETROLEUM DEVELOPMENT CORPORATION FOR THE YEAR
ENDED 30TH JUNE, 2015

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March, 2016

ML/TPDC/2015

THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL
STATEMENTS OF TANZANIA PETROLEUM DEVELOPMENT CORPORATION
FOR THE YEAR ENDED 30TH JUNE, 2015

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August, 2016

AR/TPDC/2015

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30TH JUNE, 2015

1. BACKGROUND

In compliance with the Public Corporations Act, 1992 and the Tanzania Financial Reporting Standard No. 1 on Directors' Report, the Directors submit their report and financial statements of Tanzania Petroleum Development Corporation for the year ended 30th June, 2015.

2. CORPORATE OUTLOOK VISION

To become a leading integrated national oil company competing nationally, regionally and globally in an environmentally responsible manner for the benefit of all stakeholders.

MISSION

To participate and engage in the exploration, development, production and distribution of oil and gas related services, facilitate a fair trading environment, safeguard the national supply of petroleum products and natural gas, and at the same time develop quality and safety standards to protect people, property and the environment.

General Outlook

Significant progress has been made in the areas of exploration, development and production for oil and gas. Sedimentary basins in Tanzania occupy a total area of 534,000sq.km which is approximately 56% of the total area of the United Republic of Tanzania. Exploration blocks that have been licensed for exploration and development occupy a total area of 159, 174.52sqkm, approximately 17.5% of the total area of the United Republic of Tanzania.

One of the key role of TPDC is to monitor and encourage licensed holders to execute their work programmes in time. Optimization of the two gas fields at SongoSongo and Mnazi Bay is critical to ensure the availability of enough natural gas for power generation, industrial and household use which are important elements for the general economic growth of the country.

Identification of feasible projects for further domestic utilization of gas resources from Mnazi Bay as further appraisal and development is being carried on and the deep sea discoveries will provide a challenge to the Corporation in a short term period. Commercialization through exports of liquefied natural gas (LNG) will form one of the main market segments.

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The key to the success of the endeavors of the Corporation rests on the human resource development. During the financial year ended June 30th 2015 a total of 226 employees were recruited. Out of these, 141 were for the operations of Gas Processing Plants and Pipeline; 12 for strengthening the Internal Audit Directorate; 9 Legal Unit and the rest were for other Corporation's directorates and units. Significant emphasis has been directed into resource development, along with the establishment of an institutional set up suitable for the ongoing proliferation of the Corporation's activities and the new strategic direction. The development of projects leading to domestic utilization of gas, power generation, and use in vehicles will create significant savings in foreign exchange and at the same time protecting our environment by reducing carbon foot prints and deforestation. Developments of natural gas projects will pave way for the petrochemicals and fertilizer industries leading to significant multiplier effects to the general economy.

3. PRINCIPAL ACTIVITIES

The Corporation is charged with the functions of:

- Developing an adequate industrial base for the oil and gas industry;
- Exploring and producing oil and gas;
- Acquiring interests in projects or enterprises associated with exploration and production of petroleum products;
- Contracting, holding equity or participating in oil concessions, franchises and licenses.
- Procurement and sales of oil and gas

4. COMPOSITION OF THE BOARD OF DIRECTORS

The Directors of the Corporation, all Tanzanians, who have served during the year, are:-

NAME	STATUS	AGE	DISCIPLINE	ATTENDANCE	DATE OF APPOINTMENT
Mr. Michael P. Mwanda	Chairman	66	Administrator	11	01-09-12
Prof. Sufian H. Bukurura	Vice Chairman	58	Legal academic/ Researcher	14	01-09-12
Eng. Norbert A. Kahyoza	Director	56	Mechanical Engineer	11	01-09-12
Mr. Ali Khalil Mirza	Director	56	Urban/Rural Planner	10	01-09-12

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Hon. (Rtd) Judge Josephat Mackanja	Director	70	Lawyer	10	01-09-12
Ambassador Dr Ben Mosses	Director	66	Administrator/Diplomat	10	01-09-12
Dr. Donald E. Mmari	Director	47	Economist	12	01-09-12
Ms. Mameltha K. Mutagwaba	Director	53	Finance Analyst	9	01-09-12
Dr. Lutengano U.A Mwakahesya	Director	61	Petroleum Geologist	9	01-09-12

NAME	STATUS	AGE	DISCIPLINE	ATTENDANCE	DATE OF APPOINTMENT
Mr. Ahadi M.Chacha	Director	45	Accountant/Internal Auditor	6	01-09-12
Mr. James Andilile	Secretary to the Board	40	Accountant/Auditor	8	02-07-14
Dr James P. Mataragio	Secretary to the Board	49	Geophysicist	6	15-12-14

Members of the Board were appointed for a period of three years and are required to hold at least four ordinary meetings a year. During the year 2014/2015 two (2) ordinary board meetings, two (2) special ordinary board meetings and eleven (11) extra ordinary meetings were held. These meetings were occasioned because of numerous reasons such as the continuing restructuring of the Corporation, commercialization of gas already discovered onshore, development of LNG project, recruitment of new staff, enactment of new oil and gas laws and policy and others activities in relation to exploration and development of oil and gas in Tanzania.

The term of service of the above Members of the Board of Directors ended on 30th November, 2015 after serving for the period of three years. Following the term limit of the previous Members of the Board of Directors new Members were appointed on 30th May, 2016. Below is the composition of the new members of the Board of Directors appointed.

	NAME	STATUS	DISCIPLINE	DATE OF APPOINTMENT
1.	Prof. Sufian Bukurura	Chairman	Legal academic/ Researcher	30-05-2016
2.	Ambassador Dr. Ben Mosses	Director	Administrator/Diplomatic	3-06-2016

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3.	Hon. (Rtd) Judge Josephat Mackanja	Director	Lawyer	3-06-2016
4.	Prof. Abiud Kaswamila	Director	Land use planner cum environmentalist	3-06-2016
5.	Prof. Hussein Sosovele	Director	Environmentalist	3-06-2016
6.	Ms. Mwanamani Kidaya	Director	Geologist	3-06-2016
7.	Dr. Shufaa Albeity	Director	Accountant	3-06-2016

5. DIRECTORS' REMUNERATION

The Directors' remuneration for services rendered as directors of the Corporation for the year was TZS. 2,200,000 paid as Directors fee once per year for each Director. Other remunerations include TZS 500,000 paid as sitting allowance.

6. CORPORATE GOVERNANCE

The then Board of Directors consists of ten (10) non- executive directors. The current Members of the Board consists of seven (7) non- executive directors. It takes overall responsibility for the Corporation, including responsibility for considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board delegates the day-to-day management of the business to the Managing Director assisted by senior management. Senior Management members are invited to attend board meetings. They facilitate effective control of all the Corporation's operational activities, acting as a medium of communication and coordination between the various business units.

The Corporation is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability. The Board of Directors of TPDC has an Audit and Risk Management Committee, to ensure and uphold a high standard of corporate governance. The Committee is made up of four members, three from members of the Board of Directors and one non-board member (independent). At least one member has financial background and at least one member has technical operational expertise of TPDC's activities. During the year, members of this Committee were as follows:

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a) Audit and Risk Management Committee

Name	Position	Discipline	Attendance	Date Appointed
Mr. Ahadi M. Chacha	Chairman	Accountant/ Internal Auditor	7	01-09-2012
Mr. Ali Khalil Mirza	Member	Urban/Rural Planner	7	01-09-2012
Eng. Norbert Kahyoza	Member	Engineer	6	01-09-2012
Ms Mameltha K. Mutagwaba	Member	Financial Analyst	6	01-09-2012
Mr. Gabriel Mwero	Member	Accountant/ Internal Auditor	5	01-09-2012

The members' tenure of office runs concurrently with that of the Board of Directors. The Committee reports to Board of Directors and is required to meet at least on a quarterly basis. During the year four (4) ordinary meetings and (9) nine extraordinary meetings were held to discuss among other things: the Audited accounts; Risk Management Framework and Register and PSA Audit Plan.

b) Strategy, Nominations and Remunerations Committee

Name	Position	Discipline	Attendance	Date Appointed
Amb. Dr. Ben Moses	Chairman	Administrator/Di plomat	8	01-09-2012
Prof. Sufian H. Bukurura	Member	Lawyer/ Researcher	9	01-09-2012
Dr. Donald E. Mmari	Member	Economist	9	01-09-2012
Mr. Emmanuel Mlay	Member	Administrator	6	01-09-2012
Dr. Lutengano U.A. Mwakahesya	Member	Petroleum Geologist	7	01-09-2012

The Committee reports to Board of Directors and is required to meet at least on a quarterly basis. During the year four (4) ordinary meetings and (13) thirteen extraordinary meetings were held to discuss among other things: the Supply of gas to industries in Mtwara, Lindi and Coast Region; establishment of Fertilizer Project Plant in Tanzania; Manpower status and Recruitment and approval for the procurement of Motor Vehicles; TPDC Proposal for the 4th Bidding Round;

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Application for the location of offshore block 4 1B and 1C to TPDC; Proposal for the Joint Tanzania, Comoro and Mozambique 2D and 3D acquisition program; and Strategies for operating TPDC Blocks 4 1B & C.

c) Legal Service Committee

Name	Position	Discipline	Attendance	Date Appointed
Hon. (Rtd) Judge Josephat Mackanja	Chairman	Lawyer	3	01-09-2012
Prof. Sufian H. Bukurura	Member	Legal academic/ Researcher	4	01-09-2012
Eng. Norbert A. Kahyoza	Member	Mechanical Engineer	3	01-09-2012
Mr. Said Kalunde	Member	Lawyer	4	01-09-2012
Dr. Lutengano U.A Mwakahesya	Member	Petroleum Geologist	3	01-09-2012

The Committee reports to Board of Directors and is required to meet at least on a quarterly basis. During the year four (4) ordinary meetings and (7) seven extraordinary meetings were held to discuss among other things: the PSA addenda for STATOIL/EXXON MOBIL and BG; deliberating upon the proposed MPSA 2013; deliberating on issues relating to M/S Petrodel Resources Ltd obligations under Latham/Kimbiji PSA; approval of negotiations of Gas Addendum between TPDC and MS Dominion Tanzania Ltd for Block 7 PSA and Signing of the Gas Sale Agreement between TPDC and TANESCO. The Board has delegated the day - to - day management of the Corporation affairs to the Managing Director who is assisted by senior management. Senior Management members are invited to attend board meetings. Management is responsible for implementation of all the Corporation's plans approved by the Board.

7. CAPITAL STRUCTURE

The Corporation's capital structure for the year under review is shown in the statement of financial position. The issued and fully paid up shares of the Corporation consists of 2,208 ordinary shares with par value of TZS 1,000,000. These shares are held by Treasury Registrar on behalf of Government of United Republic of Tanzania. Other composition include; Capital Grant TZS 3,292,241,036; Capital Reserve TZS 98,018,312,359; Deferred Government Grant 2,002,044,503,375; Motor Vehicle Loan Revolving Fund TZS

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300,000,000; Revaluation Reserve TZS 78,885,582,969 and Retained Earnings TZS 108,230,991,409.

8. MANAGEMENT

The Management of the Corporation is under the Managing Director and is organized in the following Directorates:

DIRECTORATE	NAME
Upstream Operations	Mr. Kelvin Komba
Downstream Operations	Dr. Wellington Hudson
Corporate Strategy and Planning	Mr. Nathan Mnyawami
Corporate Management	Mrs. Edith Simtengu
Finance	Mr. George M. Seni

Five supporting Units report directly to the Managing Director. These Units are:-

UNIT	NAME
Internal Audit	Mr. Gabriel L. Mwero
Procurement Management	Mr. Edwin Riwa
Legal Services	Mr. Ngabo P. Ibrahimu
Corporate Communication	Ms. Marie Msellemu
Risk Management	Mr. Gabriel Bujulu

9. SHAREHOLDERS OF TPDC

The Corporation is wholly owned by Government with the authorized share capital of 2,500 ordinary shares with a nominal value of TZS 1,000,000. However the Corporation issued and paid up share capital is TZS. 2,208,000,000 made up of 2,208 ordinary shares of TZS. 1,000,000 each. There was no change in the shareholding since the last review.

10. FUTURE DEVELOPMENT PLANS

10.1. Natural Gas Infrastructure Development

After completion and commissioning of the Mtwara and SongoSongo natural gas processing plants and natural gas transportation pipeline from Mtwara and SongoSongo to Dar es Salaam through Somanga Fungu, TPDC will start commercial operation which will include gas supply and maintenance of the pipeline and processing plants. The immediate focus will be power generation, industrial and domestic use of natural gas.

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10.2. TPDC Participation in Blocks 4/1B and 4/1C

The Corporation currently plans to acquire an Airborne Gravity Gradiometry surveys over areas of Lake Tanganyika North, Selous, Lukuliro, Kisangire, Ruvuma West, Rufiji Trough, West SongoSongo and Eyasi Wembere. The planned airborne acquisitions intended to add value to our prospecting blocks and portfolio in general therefore attracting more investment. Along with Airborne Gravity Gradiometry, 2D infill seismic data acquisition is planned for blocks 41b and 41c. We are also undertaking geological and geophysical evaluation of West SongoSongo to determine potential drill targets.

10.3. Liquefied Natural Gas (LNG) plant

The consortiums of Statoil/ExxonMobil and that of BG, Ophir and Pavilion are finalizing appraisal operations of their discoveries in the dedicated locations to determine viability of development projects. The appraisal will support the LNG export project exploitation and use of gas for the domestic market. The Corporation will participate in LNG implementation project and acquisition of land for the establishment of the project.

10.4. Natural Gas Distribution Networks

The proposed construction of the natural gas distribution network in Dar es Salaam will be implemented in the financial year commencing 2015/2016. The project is intended to connect in phases at least 30,000 households and convert 8,000 vehicles. TPDC will continue with studies and implementation of Mtwara and Lindi Natural Gas Distribution Network, LPG infrastructure, and research on condensate utilization, including a possibility of setting up a mini condensate refinery at Kigamboni.

10.5. Revaluation of Asset

The Corporation has a practice to conduct a revaluation exercise for its assets in every five (5) years. The plan is to conduct the revaluation of all Corporation's assets during the Financial Year 2015/16 by engaging a consultant through the procurement process.

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11. KEY PERFORMANCE INDICATORS GENERAL KPIs

KPI	Anticipated	Actual	Remarks
Wells to be drilled onshore	13	4	Most of the Companies could not meet their drilling obligations due to financial crises associated with global low oil prices.
Wells to be drilled offshore	9	8	Ophir's second well was a contingent well which was to be drilled subjected to the discovery of the first well.
Seismic acquisition - 2D (Onshore and Offshore)	2,030km	2,030km	Beach Petroleum and Swala accomplished their seismic data acquisition obligations
Seismic acquisition - 3D (Offshore only)	3,900sq.km	3154sq.km	Ndovu Resource could not acquire 3D seismic data in Ruvuma basin due to lack of funding.
SongoSongo gas sales (QTY)	37,164.4mmscf	31,896.7mm scf	The difference is due to; TANESCO daily nomination and decline in field production.
SongoSongo gas sales (TZS.)	TZS 30.02billion excluding VAT	TZS 64.01billi on Excluding VAT	The increase in sales was attributed to decrease in TANESCO's hydro electricity generating capacity due to severe drought.
Gas sales collection remittance to GOT - SongoSongo (TZS)	TZS 137.02bn	TZS26.08bn	PAET managed to pay part of its outstanding while SONGAS didn't pay.
New PSA licenses	2	0	Due to slow down of industry caused by low oil price, the IOC's didn't show much interest in PSA negotiations as planned.

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CORPORATE PLANS KPIS

New recruitments (staff)	226	202	We managed to recruit 202 Personnel. The increase in numbers was necessitated to fill in vacancies for the corporation's internal and its subsidiary i.e. GASCO
Revival of GASCO		The subsidiary Company is operational.	Recruitment process for Managerial posts is going on.
Revival of PETROTAN(COP EC)		The revival has been implement	Recruitment process for managerial posts is going on
Construction of Mtwara-Dar Es Salaam gas pipeline	100% completion by June 2015	98% completion.	Q2 of 2015/2016 financial year the Project will be completed.

RATIOS ANALYSIS

The Corporation financial performance for year 2014/2015 is summarized hereunder.

ITEM	30.06.2015	30.06.2014
Liquidity Ratios		
Current Ratio	1.379:1	1.638:1
Acid Test Ratio	1.379:1	1.636:1
Working Capital TZS	59,418,370,621	54,785,713,508
Profitability Ratios		
Return on Assets (ROA)	0.010	0.019
Return on Equity(ROE)	0.011	0.086
Basic Earnings Power Ratio(BEPR)	0.010	0.020
Profit Margin (excluding Forex Fluctuation)	-42%	48%
Revenue Growth ratio(% in previous years	-46%	-13%
Efficiency Ratios		
Trade receivable Turnover(Times)	0.211	0.54
Credit period turnover(Days)	1,731	681

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During the period under review, the Corporation's Profitability ratios recorded a declining trend when compared to the financial year 2013/2014. The decline in profitability ratios was impacted by the decrease of data sales due to loss of interest in petroleum exploration associated with a fall in oil price in the World market also they are in positive figure because of extra ordinary gain on forex exchange due massive currency fluctuation there . The liquidity ratios declined during year 2014/2015 compared to year 2013/2014 due to re-classification of Escrow account from current to non-current assets given the fact that Escrow account is not available for financing TPDC's operations. Despite the decline of liquidity ratios for the year under review, still indicates that TPDC liquidity is sufficient to cover its immediate liabilities since current ratio and quick ratio fall within acceptable liquidity ratios between 1.2 to 2.0 and 1:1 respectively. Trade receivables turnover ratio under the efficiency ratios is lower than previous year ratio and there were a significant increase in number of days' credit period given compared to previous year due to long time between sales and collecting cash. Most receivables (Pan African Energy (T) Ltd and Songas) depend on revenue collection from TANESCO who is not paying timely as a result affect TPDC revenue collection period.

12. RISK MANAGEMENT AND INTERNAL CONTROL

All employees are required to observe risks inherent at work place. Risk assessment responsibility rests with the Management. Effective internal control is maintained through ensuring that there is separation of duties and enhancing oversight systems. The Board is in-charge of the overall risk management assisted by Board's Audit and Risk Management Committee in carrying out its functions with respect to internal control systems. The Corporation faces a number of risks that need to be constantly monitored such that its effects do not impair the going concern of the Corporation. The description of these risks are given below:

a) PSA Participation Risk

Lack of funds to meet cash calls impairs Government participation in additional stakes in discovery areas in which it has exercised its contractual right to participate in accordance with provisions of relevant PSAs. The Corporation strives to engage the government to set adequate budget to enhance its participation through development funds yearly.

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b) Deep Sea Exploration Projects

Exploration activities in deep waters are prone to acts of piracy. Over the years such acts of piracy have significantly raised the overall costs of exploration mainly by escalating security costs. The risk is mitigated by strengthening the Government organs responsible for security.

c) Safety and Security of TPDC Infrastructure

There is a risk for natural gas infrastructure to acts of vandalism which may lead infrastructure destruction or gas leakage and fire hazards. The risk is mitigated by working closely with Government law enforcement organs and local governments, put in place safety and security plan, educate the communities in project areas, deploy patrols, fencing and installation of CCTVs.

d) Change in Government Policy, Laws, Regulations and Directives

Any adverse change in Government policy is likely to affect the achievement of Corporation's objectives. The risk is mitigated as TPDC is 100% owned by the Government hence involved in policy reviews.

e) Project Financing

The Corporation plans to implement several projects. However, funding has been a problem resulting into delays in implementation of the projects and this impairs its ability to undertake new projects. This risk is mitigated by engaging the Government to ensure 100% retention. After enactment of the new Petroleum law, which recognize TPDC as a national Oil Company, it is envisaged that the Corporation will be able to raise funds from stock markets (bonds/shares), partner with investors both local and foreign in build-own-operate and transfer (BOOT) arrangement under PPP arrangements.

f) Inadequate Gas Supply

The current gas production at Songosongo and Madimba does not support full utilization of new gas infrastructure. Inadequate gas supply is likely to impact the repayment of the loan facility. To mitigate the risk, TPDC is negotiating with operators to drill more wells and to some extent rehabilitate corroded wells. In addition, during the current year new gas discoveries were reported which has reduced the risk. More appraisals are ongoing.

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g) Lack of Business Continuity Plan (BCP)

One of the risks of BCP is loss of data due to lack of back up facilities. Loss of key data and information is likely to impact negatively on the performance of the organization.

To mitigate the risk, TPDC plans to establish remote office that the corporation may continue in case of disaster.

h) Environmental risk

Some of the TPDC activities such as exploration and drilling have a negative impact on the environment. To mitigate these risks all projects and activities receive clearance on Environmental Impact Assessment (EIA) from the National Environmental Management Council (NEMC).

13. SOLVENCY

The Directors have reviewed the current financial position of the Corporation and are of the opinion that, the Corporation is solvent enough to meet its short and long term financial obligations.

14. RESOURCES

The Corporation owns several resources in its operations as described below:

a) Human Capital

The Corporation possesses adequate number of qualified human capital in relevant and different disciplines.

b) Financial Resources

The main sources of corporate funding are budgetary allocations and retention of 50% of revenue from gas sales. However, with expanding operations the funding is inadequate relative to the planned activities. The Corporation plan to continue to secure loans/strategic partners in development of its viable projects.

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c) Processing and Transmission Resources

The Corporation owns; Madimba and SongoSongo Gas Processing Plants, Mtwara - Dar Es Salaam gas transmission pipeline and Ubungo- Mikocheni gas distribution pipeline. These assets are held as future cash generating Strategic Business Units (SBUs).

d) Land and Property

i) Land

The Corporation owns land located in various strategic areas for investment such as Kilwa Masoko, KILAMCO, Kibirizi-Kigoma, Kigamboni Bitumen, Mlalakuwa and petrol stations namely; Makuyuni, Tarime, Musoma, Geita and Segera.

ii) Properties

Some of the Properties that are owned by the Corporation are located in strategic area such as; Upanga, Mikocheni, Mlalakuwa, Msasani, Masaki and Kinondoni.

e) Gas reserves

The Corporation has share in two onshore producing gas field at Mnazibay and Songo Songo. See Note 35.

15. RELATIONSHIPS WITH STAKEHOLDERS

The Corporation's operations cut across several stakeholders' interests. The Corporation enjoys good and cooperative support from almost all stakeholders. Key to this relationship has been prompt and informed communication system.

16. EMPLOYEES' WELFARE

Management and Employees' Relationship

A healthy relationship continued to exist between management, employees and the employees' trade union. For the year 2014/2015, there were no dispute reported between Management and employees.

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Training Facilities

For the year 2014/2015, the Corporation staff training budget increased to TZS. 4,015,528,596 compared to TZS. 1,502,226,872 in the last year. Training Programs have been developed to ensure that employees' technical and soft skills are continuously improved.

Medical Assistance

Both Staff and the Employer contribute 3% of the Basic Salary to the National Health Insurance Fund (NHIF) which meet the costs of medical services. However, the Corporation covers in full the costs of medical consultation and treatment for all employees and their immediate family dependents when the need arise to the tune which is not covered by the Fund.

Persons with Disabilities

Applications for personal disability benefits 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 working environment is enhanced to suit the current need. 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.

Retirement Benefits

The Corporation contributes 15% of the employee's basic monthly salary towards employees' pension scheme administered by the Parastatal Pensions Fund. The employees contribute 5% of their basic monthly salaries towards the scheme.

Savings and Credit Cooperative Society

The Corporation's employees have a savings and credit co-operative society that provides both short and long term loans to staff. This arrangement has reduced the burden of issuing loans and advances to staff by the Corporation.

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Gender Policy

The Corporation has an equal opportunity employment policy. Every effort is made to ensure that the Corporation's employment policy maintains gender balance subject to technical and experience considerations. During the year 2014/2015 the Corporation had 373 employees of which 299 (80.16%) were male and 74 (19.84%) were female (for the year 2013/2014 out of 171 employees, 123 were male and 48 were female).

17. STATEMENT OF COMPLIANCE

During the year the Corporation complied with all laws, rules and regulations relating to the gas and petroleum sub sector, labor, environmental, and all other laws of the country, touching the activities of the Corporation.

18. HIV/AIDS AWARENESS PROGRAMME

The Corporation has in place an HIV/AIDS awareness programme. The Corporation encourages its employees to undergo regular voluntary HIV tests and provide support for the affected.

19. RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed in Note 24.0 to these financial statements.

20. ENVIRONMENTAL CONTROL PROGRAMME

Activities such as seismic surveys, drilling programmes and infrastructure construction have negative impact on the environment. To mitigate the risk, all projects and activities are subjected to the National Environmental Management Council (NEMC) clearance.

21. CORPORATE SOCIAL RESPONSIBILITY

The Corporation upholds good Corporate Social Responsibility (CSR) practices. It identifies itself with the community within which it operates and cultivates harmonious relationship with all such communities. The Corporation's CSR covered areas; Public Health, Education, Good Governance, and Sports. During the year under review, the Corporation donated TZS. 506,205,983 compared to TZS. 119,500,507 in the previous financial year. The Corporation has contributed to the

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construction of SongoSongo and Mpuyule secondary school laboratories in Lindi Region and Mtwara Council. Also the Corporation donated to SongoSongo Football Club (Lindi) to purchase sports gears.

22. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The TPDC establishment Order requires the Directors to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the Corporation as at the end of the financial year and of its comprehensive income for that year. It also requires the Directors to ensure that the Corporation maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the Corporation.

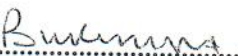
The Directors are also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities. The Directors accept responsibility for the preparation and presentation of financial statements that are free from material misstatement whether due to fraud or error. Nothing has come to the attention of the Board to indicate that the Corporation will not remain a going concern in the foreseeable future.

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23. AUDIT MANDATE

The Controller and Auditor General is the statutory auditor of Tanzania Petroleum Development Corporation (TPDC) by virtue of Article 143 of the Constitution of the United Republic of Tanzania, amplified in section 30(1) of the Public Audit Act No.11 of 2008. However, in accordance with section 33(1), the Controller and Auditor General authorized Reliable Consultants Services jointly with the National Audit Office to carry out the audit of Tanzania Petroleum Development Corporation for the year 2014/2015. The Board of Directors through the Audit and Risk Management Committee approves the remuneration of the external auditors.

BY ORDER OF THE BOARD


.....

PROF. SUFIAN BUKURURA
CHAIRMAN


.....

DR. JAMES MATARAGIO
DIRECTOR

TANZANIA PETROLEUM DEVELOPMENT CORPORATION

To: Prof. Sufian Bukurura,
Chairman,
Board of Directors,
Tanzania Petroleum Development Corporation,
P.O. Box 2774,
DAR ES SALAAM.

RE: REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF TANZANIA PETROLEUM DEVELOPEMNT CORPORATION FOR THE YEAR ENDED 30TH JUNE, 2015

Introduction

I have audited the accompanying Financial Statements of Tanzania Petroleum Development Corporation, which comprises the Statement of Financial position as at 30th June, 2015, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes set out on pages 21 to 66 of this report.

Board of Director' Responsibility for the financial statements

The Board of Directors of Tanzania Petroleum Development Corporation is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards. Their responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements; whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Responsibilities of the controller and Auditor General

My responsibility is to express an independent opinion on the financial statements based on the audit. The audit was conducted in accordance with the International Standards on Auditing (ISA) and such other audit procedures I considered necessary in the circumstances. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Corporation's preparation and fair presentation of the financial statements 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 Corporation's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

TANZANIA PETROLEUM DEVELOPMENT CORPORATION

In addition, Section 10(2) of the PAA No. 11 of 2008 requires me to satisfy myself that the accounts have been prepared in accordance with appropriate accounting standard and that; reasonable precautions have been taken to safeguard the collection of revenue, receipt, custody, disposal, issue and proper use of public property, and that the law, directions and instructions applicable thereto have been duly observed and expenditures of public monies have been properly authorized.

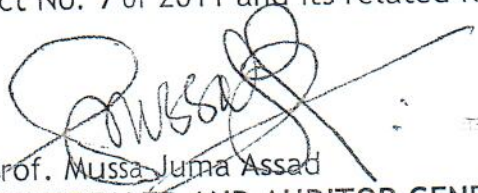
Furthermore, Section 48(3) of the Public Procurement Act No. 7 of 2011 and the Public Procurement (Goods, Works, Non-Consultant Services and Disposal of Public Assets by Tender) Regulations of 2011 requires me to state in my annual audit report whether or not the auditee has complied with the provisions of the Law and its Regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Unqualified Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Tanzania Petroleum Development Corporation as at 30th June, 2015 its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Tanzania Petroleum Development Corporation (Establishment) Order No. 140 of 1969 made under the Public Corporation Act No. 2 of 1992.

Report on Other Legal and Regulatory Requirements Compliance with Public Procurement Act

In view of my responsibility on the procurement Legislation, and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that Tanzania Petroleum Development Corporation procurement processes have generally complied with the requirements of the Public Procurement Act No. 7 of 2011 and its related Regulations of 2013.


Prof. Mussa Juma Assad
CONTROLLER AND AUDITOR GENERAL

National Audit Office
DAR ES SALAAM, TANZANIA

25th August, 2016



TANZANIA PETROLEUM DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2015

ASSETS	NOTE	30.06.2015 TZS	30.06.2014 TZS
Non - Current Assets			
Property, Plant and Equipment	7	87,215,425,862	87,171,121,732
Intangible Assets	8	951,164,121	1,354,323,803
Capital Work in Progress	9	2,004,907,253,995	1,294,694,566,160
Investment Property	10	5,694,769,445	709,438,641
Shares/Investments in Oil/Gas Companies	11	80,878,763,059	66,340,018,339
Escrow Accounts	14.1	120,509,276,347	42,011,517,702
		2,300,156,652,828	1,492,280,986,377
Current Assets			
Inventories	12	416,172,126	199,401,838
Trade and Other Receivables	13	148,778,596,731	107,523,827,530
Cash and Cash Equivalents	14	67,068,294,651	32,930,709,044
		<u>216,263,063,508</u>	<u>140,653,938,412</u>
TOTAL ASSETS		<u>2,516,419,716,336</u>	<u>1,632,934,924,789</u>
EQUITY			
Capital and Reserves attributable to the Corporation's Equity			
Share Capital	15	2,208,000,000	2,208,000,000
Capital Grant		3,292,241,036	3,292,241,036
Capital Reserve		98,018,312,359	42,321,577,456
Deferred Government Grant	16	2,002,044,503,375	1,280,713,934,575
Motor Vehicle Loan Revolving Fund		300,000,000	300,000,000
Revaluation Reserve	17	78,885,582,969	78,885,582,969
Retained Earnings		<u>108,230,991,409</u>	<u>82,891,527,750</u>
TOTAL EQUITY		2,292,979,631,147	1,490,612,863,786
LIABILITIES			
Long Term Liabilities			
Carried Interests (ARTUMAS & MP)	18	66,595,392,302	56,453,836,100
Current Liabilities			
Trade and Other Payables	19	156,844,692,887	85,868,224,904
TOTAL LIABILITIES		<u>222,440,085,189</u>	<u>142,322,061,004</u>
TOTAL EQUITY AND LIABILITIES		<u>2,516,419,716,336</u>	<u>1,632,934,924,790</u>

NOTES 1 TO 37 FORM PART OF THESE STATEMENTS



PROF. SUFIAN BUKURURA
 CHAIRMAN

23.08.2016

 DATE



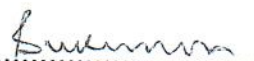
DR. JAMES MATARAGIO
 DIRECTOR

TANZANIA PETROLEUM DEVELOPMENT CORPORATION

STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 30TH JUNE, 2015

		2014/2015	2013/2014
		TZS.	TZS.
REVENUE			
Subsidy Income		14,783,100,300	12,030,366,813
Other Income	20	46,560,143,591	9,139,290,483
Training Fees from Contractors		2,313,397,651	2,126,078,958
Sale of Condensate		783,745,750	584,675,822
Profit Gas		1,877,752,387	1,486,008,076
Sale of Data	21	3,446,109,316	34,952,579,330
LESS: EXPENSES		69,764,248,994	60,318,998,892
Administrative and Establishment Expenses	22	24,521,293,434	20,028,291,603
Exploration Expenses		4,126,920,748	1,535,769,191
Financial Costs	23	174,449,803	130,200,014
East African Petroleum Conference Costs		115,736,259	706,869,471
General Administrative Expenses	24	13,652,631,181	5,788,968,821
Depreciation Expense including Amortization of Intangible Assets		<u>1,833,753,911</u>	<u>1,633,449,209</u>
TOTAL EXPENSES		<u>44,424,785,336</u>	<u>29,823,548,309</u>
SURPLUS/(DEFICIT) FOR THE PERIOD		<u>25,339,463,659</u>	<u>30,495,450,583</u>

NOTES 1 TO 37 FORM PART OF THESE STATEMENTS



PROF. SUFIAN BUKURURA
CHAIRMAN

23-08-2016

DATE



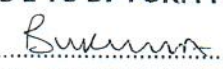
DR. JAMES MATARAGIO
DIRECTOR

TANZANIA PETROLEUM DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	2014/2015	2013/2014
	TZS	TZS
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(Deficit) for the Period	25,339,463,659	30,495,450,583
Adjustments:		
Depreciation	1,430,594,229	1,392,033,865
Amortization = Intangible Assets	403,159,682	241,415,344
Amortization of Deferred Government Grant	<u>-265,983,440</u>	<u>-265,983,440</u>
CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL ITEMS	26,907,234,129	31,862,916,352
(Increase)/Decrease in Stocks	-216,770,288	10,485,325
(Increase)/Decrease in Trade and Other Receivables	-41,254,769,201	(22,639,299,633)
Increase/(Decrease) in Trade and Other Payables	<u>70,976,467,983</u>	<u>34,031,802,768</u>
Net Cash Flows From/(Used in) Operations (A)	<u>56,412,162,623</u>	<u>43,265,904,812</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Purchases of Fixed Assets	-1,474,898,359	-2,755,841,813
Increase in Capital W.I.P	-710,212,687,829	-753,159,844,673
Purchases of Intangible Assets	-	-1,595,218,970
Investment property	-4,985,330,804	-
INVESTMENTS IN PSA	<u>-14,538,744,720</u>	<u>-2,687,537,445</u>
Net Cash Flows from Investing Activities (B)	<u>-731,211,661,712</u>	<u>-760,198,442,901</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	10,141,556,202	1,342,189,230
ARTUMAS & MAUREL ET PROM INTERESTS		
Government grant MTWARA-DSM PIPELINE	721,596,552,240	740,521,596,215
Escrow Accounts	-78,497,758,645	-42,011,517,702
CAPITAL RESERVES	<u>55,696,734,903</u>	<u>40,821,577,456</u>
Increase /Decrease in Cash Flows From (C)	<u>708,937,084,698</u>	<u>740,673,845,199</u>
NET INCREASE/(DECREASE) IN CASH AND (A+B+C)	34,137,585,609	23,741,307,144
Cash and Cash Equivalents at Beginning of the Period	<u>32,930,709,045</u>	<u>9,189,401,931</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>67,068,294,654</u>	<u>32,930,709,045</u>

NOTES 1 TO 37 FORM PART OF THESE STATEMENTS



PROF. SUFIAN BUKURURA
CHAIRMAN

23-08-2016

DATE



DR. JAMES MATARAGIO
DIRECTOR

TANZANIA PETROLEUM DEVELOPMENT CORPORATION

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE, 2015
Attributable to Equity Holders of the Corporation

	Share Capital	Capital Grant	Capital Reserve	Deferred Government Grant	Motor Vehicle Loans Revolving Fund	Revaluation Reserves	Retained Earnings	Total Equity
	TZS.	TZS.	TZS.	TZS.	TZS.	TZS.	TZS.	TZS.
Balance at 1 st July, 2013	2,208,000,000	3,292,241,036	1,500,000,000	138,449,180,219	300,000,000	78,885,582,969	58,844,891,120	283,479,895,344
Adjustment for Deferred Government Grant				(265,983,440)			0	-265,983,440
Adjustment for Capital Reserve			40,821,577,456	0				40,821,577,456
Adjustment for Deferred Government Grant- Mtwara- Dsm Pipeline				1,142,530,737,796				1,142,530,737,796
Profit for the Period	0	0			0		30,495,450,583	30,495,450,583
Balance at 30 th June, 2014	2,208,000,000	3,292,241,036	42,321,577,456	1,280,713,934,575	300,000,000	78,885,582,969	89,340,341,703	1,497,061,677,739
Adjustment for Retained Earning							-6,448,813,953	-6,448,813,953
Balance June, 30 2014	2,208,000,000	3,292,241,036	42,321,577,456	1,280,713,934,575	300,000	78,885,582,969	82,891,527,750	1,490,612,863,786
Balance at 1 st July, 2014	2,208,000,000	3,292,241,036	42,321,577,456	1,280,713,934,575	300,000,000	78,885,582,969	82,891,527,750	1,490,612,863,786
Adjustment for Deferred Government Grant				(265,983,440.04)				(265,983,440.04)
Adjustment for Capital Reserve			55,696,734,903					55,696,734,902.59
Adjustment for Deferred Government Grant- Mtwara- Dsm Pipeline				721,596,552,239,.81				721,596,552,239.81
Profit for the Period							25,339,463,659	25,339,463,658.62
Balance at June 30 th , 2015	2,208,000,000	3,292,241,036	98,018,312,359	2,002,044,503,375	300,000,000	78,885,582,969	108,230,991,409	2,292,979,631,147

NOTES 1 TO 37 FORM PART OF THESE STATEMENTS

Prof. Sufian Bukurura
CHAIRMAN

Dr. James Mataragio
DIRECTOR

23/08/2016

DATE 24

NOTES TO THE FINANCIAL

STATEMENTS NOTE 1.0: GENERAL INFORMATION

a) Tanzania Petroleum Development Corporation

- (i) Tanzania Petroleum Development Corporation is wholly owned by the Government. The Corporation was established by the Tanzania Public Corporation (Establishment) Order No. 140 of 1969 made under the Public Corporation Act No. 2 of 1992. The Corporation is domiciled in Dar es Salaam, Tanzania. The address of the registered office is Benjamin William Mkapa Pension Towers, Tower A, Plot 51/52 Azikiwe/Jamhuri Street, Dar es Salaam, Tanzania.
- (ii) The Corporation is responsible for the following functions:
- developing an adequate industrial base for the oil and gas industry,
 - Exploring and producing oil and gas,
 - Acquiring interests in projects or enterprises associated with exploration and production of petroleum and gas,
 - holding exploration and production rights for oil and gas,
 - contracting, holding equity or participating in oil and natural gas concessions, franchises and licences
- (iii) The overall management of TPDC is vested in the Board of Directors as the Governing body under the supervision of the Minister for Energy and Minerals. The Managing Director carries out the day to day operations of the Corporation.

b) SongoSongo Operations

Tanzania Petroleum Development Corporation is responsible for overseeing the SongoSongo gas operations which involve the production and marketing of natural gas produced from SongoSongo gas fields. Gas produced is processed at SongoSongo and transported by pipeline to Dar es Salaam. Songas Tanzania Limited produces, transports and delivers the natural gas from SongoSongo gas fields to the Ubungo TANESCO Complex for power generation in accordance with the Power Purchase Agreement.

Sales revenue is grouped into two, namely protected gas and additional gas. Protected gas represents the natural gas required to operate the Ubungo Complex and Wazo Hill Cement plant at the maximum load for the remaining initial term of the Power Purchasing Agreement.

Additional gas represents all natural gas produced in excess of protected gas and is developed and marketed to other industrial consumers by Pan African Energy Tanzania Limited under the terms of Production Sharing Agreement (PSA) which expires in October, 2026.

c) Mnazi Bay Operations:

Tanzania Petroleum Development Corporation oversees the production of gas at Mnazi Bay Gas Field in Mtwara. Gas produced was initially used to generate power for only Lindi and Mtwara Regions. However, following the increase in gas production and the completion of pipeline and processing plant at Madimba, some of the natural gas is transported to Dar es Salaam for power generation and connected to the National grid. Gas production started on 25th December 2006. Gas is produced by Maurel & Prom under the terms of Production Sharing Agreement.

NOTE 2.0: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, plant and equipment and motor vehicles at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Corporate accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are separately disclosed in a note.

2.2 Property, Plant and Equipment

Valuation

Plant and equipment is stated at cost/revaluation, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts or property, plant and equipment are required to be replaced in intervals, the Corporation recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the income statement as and when incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognized after the date of the revaluation. Valuations are performed after every five to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is credited to the assets revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case the increase is recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Revaluation of all Corporation's fixed assets was carried out in June, 2004 by external independent valuers, M/s UCLAS of Dares Salaam and M/s Gimcofrica Limited of Dar es Salaam in June, 2009. The revaluation of office accommodation at Benjamin William Mkapa Pension Towers was carried out by GIMCOAFRICA Limited as at 30th June, 2009. The Corporation is planning to carry out revaluation of its assets during the next financial year (2015/2016).

Depreciation

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:-

Asset Depreciation	Rate per Annum
Buildings	4%
Furniture and Equipment	10%
Computers and Servers	25%
Motor Vehicles	25%
Tanker Lorries	25%

2.3 Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets are not capitalized and expenditure is reflected in the statement of comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The annual rate of amortization, which has been consistently applied is 25%.

The amortization period and the amortization method for an intangible asset are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of comprehensive income. Gains or losses arising from derecognizing of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.4 Stocks

Stocks are valued at the lower of cost and net realizable value. Cost is determined on First in First out (FIFO) basis. Any obsolete items are provided for in full in the year they are detected.

2.5 Revenues

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received excluding discounts, rebates, and sales taxes or duty. The Corporation assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Corporation has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized.

Sales of Goods

Revenue is recognized when significant risks and rewards of ownership of goods have passed to the buyer, usually on delivery of the goods.

Rendering of Services

Revenue from the rendering of services is recognized by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

Interest Income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available-for-sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability, interest income is included in finance income in the statement of comprehensive income.

Dividends

Revenue is recognized when the Corporation's right to receive the payment is established.

Rental Income

Rental Income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

Rental Funds

Income is recognized when funds are remitted to Government.

Subsidy Income

A fund for recurring expenditure is recognized when cash is received from the Government.

2.6 Impairment of Non-Financial Assets

The Corporation assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Corporation makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, impairment losses of continuing operations are recognized in the statement of financial performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of financial performance. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised

carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.7 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 respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. TPDC capitalizes borrowing costs for all eligible assets where construction was commenced on or after 1st January, 2009.

2.8 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale in their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

2.9 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Corporation substantially all the risk and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the income statement. Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Corporation will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognized as an expense in the income statement on a straight line basis over the lease term.

2.9.1 Corporation as a Lessor

Leases where the Corporation does not transfer substantially all the risk and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

2.10 Investment Properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. 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 properties are included in the income statement in the period in which they arise.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement 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.

2.11 Financial Instruments

Financial Assets

Initial Recognition and Measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held- to-maturity investments or available-for-sale financial assets as appropriate. The Corporation determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Corporation commits to purchase the asset. 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 market place.

The Corporation's financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables.

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows:-

Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Corporation has the positive intention and ability to hold to maturity. After initial measurement held-to-maturity investments are measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the investments are derecognized or impaired, as well as through the amortization process.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains and losses

are recognized in the statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Available-for-Sale Financial Investments

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the four preceding categories. After initial measurement, available-for-sale financial assets are measured at fair value with unrealized gains or losses recognized directly in equity until the investment is derecognized or determined to be impaired at which time the cumulative gain or loss previously recorded in equity is recognized in statement of comprehensive income.

Fair Value

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the financial year end date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis or other valuation models.

Amortized Cost

Held-to-maturity investments and loans and receivables are measured at amortized cost. This is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction cost and fees that are an integral part of the effective interest rate.

Impairment of Financial Assets

The Corporation assesses at each financial year end date whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event) and that loss event has an impact on the estimated future cash flows of the financial year or the group of financial assets that can be reliably estimated.

Financial Assets carried at Amortized Cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in statement of comprehensive income.

In relation to trade receivable, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant difficulties of the debtor) that the Corporation will not be able to collect all of the amount due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognized when they are assessed as uncollectable.

Available-for-Sale Financial Investments

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in income statement, is transferred from equity to profit or loss. Reversal in respect of equity instruments classified as available-for-sale is not recognized in profit or loss. Reversals of impairment losses on debt instruments are reversed through profit or loss; if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss were recognized in profit or loss.

Derecognizing of Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- a) The rights to receive cash flows from the asset have expired;

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

Where the Corporation has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Corporation's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Corporation could be required to repay.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, or loans and borrowings as appropriate. The Corporation determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The Corporation's financial liabilities include trade and other payables, bank overdraft, loans and borrowings.

Subsequent Measurement

The measurement of financial liabilities depends on their classification as follows:-

Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income.

Interest bearing Loans and Borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

Derecognizing of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where 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 a derecognizing of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

2.12 Employee Benefits

Short-Term Benefits

These include salaries and wages, annual leave and other short term benefits. Liabilities related to annual leave at the end of the financial year are accrued in the financial statements.

Post-Employment Benefits

The Corporation operates defined contribution plans.

Defined Contribution Plan

Under defined contribution plans, the Corporation's employees are members of state-owned pension schemes, namely the Parastatal Pension Fund (PPF) and National Social Security Fund (NSSF)' Public Service Pension Fund (PSPF) and GEPF Pension Fund. In all schemes, the Corporation and the employees contribute 15% and 5% respectively of the respective employee's basic salary. The Corporation's contributions to the funds are charged to the statement of comprehensive income in the year to which they related.

Other Long-Term Employment Benefits

These include gratuity for contract staff, which are paid at the end of the contract term.

Bonus Plans

The Corporation recognizes a liability and expense for bonuses based on a formula that takes into account, the profit attributable to the Corporation's shareholders. The Corporation recognizes a provision for Bonuses when there is a contractual obligation or a past practice that has created a constructive obligation.

Termination Benefits

Termination benefits are payable when employment is terminated by the Corporation before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for three benefits. The Corporation recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after financial year end date are discounted to present value.

2.13 Related Party Transactions

Transactions between the Corporation and controlled entities, entities with significant influence, joint ventures, and key management personnel have been disclosed in the notes to these financial statements. Key management personnel constitute the members of the Board of Directors, Managing Director, Heads of Directorates, and Department and Units. Key management personnel are required to sign declaration form to that effect.

2.14 Foreign Currency Translation

a) Functional and Presentation Currency

The financial statements are presented in Tanzania Shillings, which is the Corporation's functional and presentation currency.

b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities

denominated in foreign currency are recognized in the statement of comprehensive income

2.15 Government Grant and Assistance

Grants received in monetary form for capital expenditure, recurrent expenditure or in form of non-monetary assets are recognized as deferred income in the balance sheet and are released to income statement during the useful life of the respective non-monetary assets or when recurrent expenditure is incurred.

2.16 Cash and Cash Equivalents

Cash and bank balances in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents, net of outstanding bank overdrafts.

2.17 Provisions

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Corporation expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.18 Post Balance Sheet Events

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:-

- a) Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period);

- b) Those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

The Corporation reviews for both adjusting and non-adjusting events after the balance sheet date until the financial statements are available for issue to the general public. The Board of Directors authorizes for the issue of financial statements. Adjusting events entails adjusting financial statements; whereas non-adjusting events are disclosed in the financial statements, unless going concern is threatened then financial statements are adjusted.

NOTE 3.0 SIGNIFICANT ACCOUNTING JUDGEMENT, 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 disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgment

In the process of applying the Corporation's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Impairment of Non-Financial Assets

The Corporation assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Revaluation of Property, Plant and Equipment and Investment

The Corporation carries some of its non-current assets at fair value, with changes in fair value being recognized in the income statement. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognized in other comprehensive income. The Corporation engaged independent valuation specialists to determine fair value as at 30th June, 2011. For the investment property the valuer used a valuation technique based on a discounted cash flow model as there is a lack of comparable market data because of the nature of the property. The determined fair value of the investment properties is most sensitive to the estimated yield as well as the long term vacancy rate.

Fair Value of Financial Instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

NOTE 4.0 FINANCIAL RISK

MANAGEMENT Financial Risk

Factors

The Corporation's activities are exposed to a variety of financial risks. The Corporation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Corporation's financial performance.

Foreign Exchange Risk

The Corporation is exposed to foreign exchange risk arising from sale of data which is made in foreign exchange and receipt of funds denominated in foreign currency. The risk is mitigated through maintenance of foreign exchange bank account.

Credit Risk

The Corporation has a significant portion of its operations with few customers and thus has a high degree of credit risk. This risk is mitigated through the fact that TPDC can turn-off the supply of gas to non-paying customers.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The Corporation ensures that all excess cash is invested. TPDC being 100% owned by the Government, all cash requirement comes from Treasury as per Parliamentary allocation.

NOTE 5.0 CAPITAL MAINTENANCE

The capital of the Corporation includes share capital, capital grant, revolving funds, reserves and retained earnings. TPDC complied with all requirements relating to maintenance of capital. Capital is maintained through Parliamentary allocations to the Corporation through the Ministry of Energy and Minerals. There was no collateral on capital.

NOTE 6.0 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective to the date of issuance of the Corporation's financial statements are listed below:-

- a) IFRS 13 Fair Value Measurement.
- b) IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments.
- c) IFRIC 20 Stripping Costs in the Production Phase of a surface Mine.

These standards and interpretation will not have significant impact in the Financial Statements of the Corporation.

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NOTE 7.0: PROPERTY, PLANT AND EQUIPMENT

PARTICULARS(Land	Buildings	Motor Vehicles and Machinery	Furniture, Fittings and Equipment	Computer Hardware	TOTAL
		TZS	TZS	TZS	TZS	TZS
COST/REVALUATION:						
Opening Balance at 01-07-2013	73,464,000,000	14,631,969,500	1,313,740,371	950,217,499	1,067,495,791	91,427,423,161
Additions	-	1,440,666,049	729,025,360	144,028,261	442,122,143	2,755,841,813
Closing Balance at 30.06.2014	73,464,000,000	16,072,635,549	2,042,765,731	1,094,245,760	1,509,617,934	94,183,264,974
DEPRECIATION						
Accumulated Depreciation at 01-07-2013	-	3,791,876,187	778,883,106	500,581,898	756,598,254	5,827,939,445
Depreciation Charge for the Year	-	740,372,089	292,721,969	145,071,090	213,868,718	1,392,033,866
Accumulated Depreciation at 30-06-2014	-	4,532,248,276	1,071,605,075	645,652,988	970,466,972	7,219,973,311
Adjustment of accumulated depreciation		(70,569,373)	(29,549,113)	(71,563,919)	(36,147,663)	(207,830,069)
Adjusted accumulated depreciation 30-06-2014		4,461,678,903	1,042,055,962	574,089,069	934,319,309	7,012,143,242

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NOTE 9.0: CAPITAL WORK IN PROGRESS

Capital work in progress reflected in the financial statements at TZS. 2,004,907,253,999. The amount is contributed mainly by the costs incurred for implementation of the Mtwara-DSM pipeline project. It includes payments for Compensation of land and Crops, Consultation Payments, Insurance Premium and Advance Payments to the contractor. Other costs are related to CNG Filling Stations and condensate to biofuel Project. Once these projects are completed the amount will be capitalized. The projects are itemized below:

	30.06.2015	Restated balances 30.06.2014	30.06.2014
	TZS	TZS	TZS
Buildings	183,001,520	108,563,993	108,563,993
Ubungo- Mikocheni Pipeline	-	5,178,037,486	5,178,037,486
CNG filling station	135,342,500	135,342,500	135,342,500
LPG extraction	-	1,170,000	15,040,000
Biofuel Project (SEKAB)	-	-	14,830,000
Mtwara - DSM Natural Gas Pipeline	2,004,588,909,975	1,289,271,452,181	1,289,271,452,181
Condensate to Biofuel Project	-	-	346,691,977
DSM Ring Main and CNG	-	-	802,762,021
Amonia & Urea Fertilizer	-	-	<u>86,823,859</u>
TOTAL	<u>2,004,907,253,995</u>	<u>1,294,694,566,160</u>	<u>1,301,351,210,184</u>

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NOTE 10.0: INVESTMENT PROPERTY TZS. 5,694,769,445

	30.06.2015 TZS	30.06.2014 TZS
Investment Property	5,694,769,445	709,438,642

PETROL STATION OUTLETS T Z S . 709,438,642

The Corporation owns five petrol stations outlets valued at TZS. 709,438,642. These outlets are held as investment properties and are currently hired to private petrol station operators. The outlets were acquired for use by the Corporation in the business of retailers of petroleum products.

UBUNGO - MIKOCHENI GAS PIPELINE TZS. 4,985,330,804

The Corporation owns Ubungo - Mikocheni Natural Gas Pipeline which has met all recognition criteria as per IAS 40 (Investment Property). During the financial year the investment has been capitalized at the value of TZS. 4,985,330,804. The design of this pipeline was meant to connect 57 houses at Mikocheni TPDC Estate. However, the pipeline is also intended to supply natural gas to other nearby industries in the city of Dar Es Salaam.

NOTE 11.0: SHARES HELD/INVESTMENTS IN OIL/GAS COMPANIES

Name of Company	No. of Shares	Nominal Value (at Cost) ('000) USD	%	30.06.2015 TZS.	30.06.2014 TZS.
Songas (T) Ltd.	30,000	3,000	29	5,991,462,000	3,292,241,036
Agro Eco Energy	50,000	10,000	5	1,500,000,000	1,500,000,000
ARTUMAS/MAUREL ET PROM Participating Interest			20	<u>73,387,301,059</u>	<u>61,647,777,303</u>
TOTAL				<u>80,878,763,059</u>	<u>66,340,018,339</u>

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The investment in Songas (T) Limited has been determined on cost basis on the date the shares were transferred to TPDC on trust by the Treasury Registrar.

Shares in Agro Eco Energy Tanzania Ltd. were purchased by the Government through TPDC for the manufacture of ethanol at Bagamoyo.

ARTUMAS/M&P PSA TPDC opted to acquire 20% participating interest in the PSA Covering the development area.

NOTE 12.0: INVENTORIES

Inventories are stated at the lower of cost and Net Realizable Value. The cost is determined using the first in first out (FIFO) method. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost to make the sale. Inventories in the balance sheet comprises of; Condensate, by product of natural gas processing and Stationaries and Stores for the Corporation's service rendering. As at 30th June 2015 the Corporation's inventory was as tabulated below.

Description	30.06.2015 TZS	30.06.2014 TZS
Stationery & Stores	278,712,017	63,955,965
Condensate	<u>137,460,109</u>	<u>135,445,873</u>
TOTAL	<u>416,172,126</u>	<u>199,401,838</u>

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NOTE 13.0	TRADE AND OTHER RECEIVABLES	30.06.2015 TZS.	30.06.2014 TZS.
	Receivables due to Government Sale of Gas Exclude VAT (Note 13.2)	123,191,219,999	65,460,900,355
	VAT Receivable from Sale of Gas	8,123,453,682	4,905,376,718
	Trade Receivables (Note 13.1)	21,987,666,582	36,659,550,911
	Staff Receivables	269,352,749	119,654,328
	Prepayments	2,041,719,134	378,345,2183
	Provision for doubtful debts	(6,834,815,415)	-
	TOTAL	<u>148,778,596,731</u>	<u>107,523,827,530</u>
NOTE 13.1	TRADE RECEIVABLES		
	License Fees	1,568,064,677	1,123,376,595
	Training Fees	6,379,592,458	3,552,566,093
	Rent Receivable (Non Staff)	82,454,500	78,604,500
	Petrol Stations Debtors	118,712,000	98,303,000
	Market Research Recovery	7,232,341,933	5,849,307,120
	Sundry Debtors- Others	<u>6,606,501,014</u>	<u>25,957,393,602</u>
	TOTAL	<u>21,987,666,582</u>	<u>36,659,550,910</u>

Provision for doubtful debts TZS 6,834,815,415 is long overdue receivables of more than five years age. Provided due to uncertainty conditions of recovering the amount from PAN African Energy (T) Ltd (PAET) being costs related to market and marketing research under Production Sharing Agreement (PSA).

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NOTE 13.2: NATURAL GAS SALES AS AT 30 JUNE 2015 (SONGO SONGO OPERATIONS)

Songas Tanzania Limited - Sale of Protected Gas		30.06.2015 TZS	30.06.2014 TZS
Details			
AMOUNT DUE FROM PREVIOUS PERIOD:			
Gas Sale Proceeds not Collected as at 1 st July		27,025,768,565	20,590,840,629
VAT levied on Uncollected Gas Sales as at 1 st July		<u>4,817,506,680</u>	<u>3,659,219,652</u>
Total Amount Due from Previous Period		<u>31,843,275,246</u>	<u>24,250,060,281</u>
AMOUNT DUE ON CURRENT YEAR'S SALES			
Gas Sales for the Current Period		15,620,397,254	13,197,601,720
VAT on Current Gas Sales		<u>2,811,671,506</u>	<u>2,375,568,310</u>
Total current sales		<u>18,432,068,760</u>	<u>15,573,170,030</u>
Unrealized gain on foreign exchange		10,182,220,966	
Amount Due		<u>60,457,564,972</u>	<u>39,823,230,311</u>
less; Collection;			
Cash Collections from Sale of Protected Gas		-	<u>7,979,955,065</u>
Total due from SONGAS	(A)	<u>60,457,564,972</u>	<u>31,843,275,246</u>
PanAfrican Energy Tanzania Limited - Sale of Additional Gas			
Amount Due on Sales Proceeds not Collected as at 1 st July		38,352,848,576	16,923,528,467
Gas Sales for Current Period		48,391,656,358	51,739,165,897
Unrealized gain on foreign exchange		<u>10,023,642,154</u>	-
Amount Due		<u>96,768,147,088</u>	<u>68,662,694,364</u>
LESS; COLLECTION			
Cash Collections from Sale of Additional Gas		16,656,666,540	10,927,284,688
Payment of Corporation Tax		<u>9,421,999,383</u>	<u>19,382,561,100</u>
		<u>26,078,665,923</u>	<u>30,309,845,788</u>
Total due from PAET	(B)	<u>70,689,481,165</u>	<u>38,352,848,576</u>

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TANESCO LTD-Somanga Fungu			
Opening Amount Due Sales		170,153,252	379,615,608
Due from current Sales		156,447,314	167,168,456
VAT on Current Gas Sales		28,160,516	29,963,707
Add: Adjustment on Forex Difference		7,881,232	8,138,455
Unrealized gain on foreign exchange		<u>24,433,535</u>	-
Amount Due		387,075,849	584,886,226
Less; collection			
Cash collection other gas sales		219,448,304	414,732,974
Total due from TANESCO	(C)	<u>167,627,545</u>	<u>170,153,252</u>
TOTAL GAS SALES NOT YET COLLECTED	(A+B+C)	<u>131,314,673,682</u>	<u>70,366,277,074</u>

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NOTE 14.0	CASH AND CASH EQUIVALENTS	30.06.2015 TZS	30.06.2014 TZS
	TPDC FUNDS	57,924,552,801	32,571,339,134
	Gas Operations Funds	<u>9,143,741,850</u>	<u>359,369,910</u>
	TOTAL	<u>67,068,294,651</u>	<u>32,930,709,044</u>
NOTE 14.1	Escrow Accounts	<u>120,509,276,347</u>	<u>42,011,517,702</u>
	TOTAL	<u>120,509,276,347</u>	<u>42,011,517,702</u>

ESCROW ACCOUNT BALANCE TZS 120,509,276,347

The amount represents funds deposited into the Escrow Accounts opened at Stanbic Bank being collateral for payments for the Mtwara-DSM Pipeline project. TPDC maintains three escrow accounts at the Stanbic Bank namely; Revenue account, Operatorship account and Loan Repayment account. These accounts are operated as per terms and conditions stipulated in the Escrow Management Agreement between, Exim Bank of China (lender), Ministry of Finance (Borrower), TPDC (End User) and Stanbic Bank.

The balance amount of TZS 120,509,276,347 consist of TZS 2,380,765,097 and TZS 118,128,511,250 deposited by TPDC and Ministry of Finance on behalf of the Government of Tanzania respectively. The deposited funds are reclassified under Non-Current Assets since they are not available for meeting immediate short term Corporation's financial obligations during the entire period of project execution.

NOTE 15.0: SHARE CAPITAL	30.06.2015	30.06.2014
Authorized		
2,500 Ordinary Shares @ par value TZS. 1,000,000	<u>2,500,000,000</u>	<u>2,500,000,000</u>
Issued and Fully Paid Up		
2,208 Ordinary Shares @ par value TZS. 1,000,000	<u>2,208,000,000</u>	<u>2,208,000,000</u>

The issued and paid up share capital was financed through conversion of retained earnings and funds extended to the Corporation as capital and development grants

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in 1988 converted into paid up share capital. The shares are held by the Treasury Registrar.

NOTE 16.0: DEFERRED-GOVERNMENT CAPITAL GRANT

	30-06-2015 TZS	30-06-2014 TZS
Deferred Government Grant 01.07.2014	5,865,371,179	6,131,354,619
Less: Amortization during the Year	(265,983,440)	(265,983,440)
Sub Total		
Sub total	5,599,387,739	5,865,371,179
Government contribution into Mtwara- DSM Pipeline Project (NOTE 16.1)	132,317,825,600	132,317,825,600
Funds borrowed by the Government for Mtwara- DSM Pipeline Project (NOTE 16.1)	<u>1,864,127,290,036</u>	<u>1,142,530,737,796</u>
Closing Balance 30.06.2015	<u>2,002,044,503,375</u>	<u>1,280,713,934,575</u>

NOTE 16.1: Government contribution

The amount represents 5% of the Mtwara- DSM Pipeline Project cost injected by the Government as TPDC's Capital Contribution for the project.

NOTE 16.2: Funds borrowed by the Government

The Funds represent the amounts borrowed by the Government to finance the construction of Mtwara and SongoSongo to Dar es Salaam gas pipeline and processing plants. The funds were borrowed from Exim Bank of China. The total loan amount is \$1,165,065,400 and according to the loan agreements TPDC is termed as the end user of the facilities.

NOTE 17: PROPERTY, PLANT AND EQUIPMENT REVALUATION RESERVE

	30-06-2015 TZS	30-06-2014 TZS
Revaluation Reserve	78,885,582,969	78,885,582,969

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Revaluation Surplus/loss	-	-
Balance as at 30-06-2015	<u>78,885,582,969</u>	<u>78,885,582,969</u>

NOTE 18: CARRIED INTERESTS ARTUMAS/MAUREL ET PROM

	30-06-2015 TZS	30-06-2014 TZS
Opening balance	56,755,868,546	55,111,646,870
Carried interest for the year	<u>9,839,523,756</u>	<u>1,644,221,676</u>
Closing balance	<u>66,595,392,302</u>	<u>56,755,868,546</u>

This liability is in respect of Government's acquisition (through the Treasury Registrar) of 20% equity interest in Artumas/Maurel Et Prom investment through TPDC (Ref. Note 11), since the Government's share of equity was initially paid by Artumas/Maurel Et Prom at the time of project financing. The liability will be settled over a period of 20 years with effect from 2011/2012 by applying the agreed Government's annual share of revenue towards financing the long term liability repayment obligations until it is fully settled.

NOTE 19.0: TRADE AND OTHER PAYABLES

	2014/2015 TZS.	2013/2014 TZS.
Songo Songo Project Fund	-	33,000
Gas Sales Due to Government (Note 19.1)	132,556,028,923	65,727,130,469
Trade Payables (Note 19.3)	3,999,348,875	4,786,560,829
Provisions for Other Liabilities and Charges (Note 19.4)	<u>20,289,315,090</u>	<u>15,354,500,606</u>
TOTAL	<u>156,844,692,887</u>	<u>85,868,224,904</u>

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NOTE 19.1: GAS SALES DUE TO GOVERNMENT

Gas sales due to Government represent amount remittable to Government arising from proceeds of sale of gas from SongoSongo gas fields made by Songas Tanzania Limited (Songas) and Pan African Energy Tanzania Limited (PAE). The Corporation collects the proceeds from the sale of gas from Songas and PAE and remits the same to Government.

	2014/2015 TZS	2013/2014 TZS
Gas Sales Due from Songas Tanzania Limited	52,828,386,785	27,025,768,565
Gas sales Due from PAET	70,689,481,164	38,352,848,575
Gas Sales Due from TANESCO	51,597,001	82,283,215
Gas Sales Collected but not remitted to Government (Note 19.2)	<u>8,986,563,972</u>	<u>266,230,114</u>
TOTAL	132,556,028,923	<u>65,727,130,469</u>

NOTE 19.2 APPLICATIONS OF GAS SALES COLLECTIONS (SONGO SONGO GAS OPERATIONS) AS AT 30, JUNE 2015

	2014/2015 TZS.	2013/2014 TZS.
COLLECTION OF FUNDS		
Opening Cash Balance at 1 st July		
• Unremitted Sales Collections to Government	266,230,114	-310,060,331
• Unremitted VAT	<u>0</u>	<u>0</u>
Total Opening Cash Balance	<u>266,230,114</u>	<u>-310,060,331</u>
Add: Cash Collections of Sales for the Period (Note 13.2 A-B)	<u>26,078,665,923</u>	<u>38,289,800,853</u>
TOTAL AMOUNT COLLECTED	<u>26,344,896,036</u>	<u>37,979,740,522</u>

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APPLICATIONS

Payments of VAT	-	1,217,281,281
Exchange Rate Movement	-110,669,889	-191,538,281
Interest received	-140,179,777	-23,394,660
TPDC Retention Fund	4,162,408,500	-
TPDC costs paid spent on Gas Related activities	0	-310,060,331
Payments of Gas related costs	(221,067,072)	93,681,195
Payment of Fees	69,000,000	52,500,000
Payments for Bank Charges	<u>14,432,419</u>	<u>11,971,078</u>
TOTAL FUNDS APPLIED	<u>3,773,924,182</u>	<u>850,440,282</u>
BALANCE OF FUNDS NOT APPLIED	22,570,971,855	37,129,300,240
Less: VAT Collected But not Remitted to TRA	-	-
FUNDS REMITTABLE TO GOVERNMENT	22,570,971,855	37,129,300,240
Less: Funds Remitted to Government	<u>(13,584,407,883)</u>	<u>(36,863,070,126)</u>
CASH FROM COLLECTIONS NOT YET REMITTED TO GOVERNMENT	<u>8,986,563,972</u>	<u>266,230,114</u>

NOTE 19.3: TRADE PAYABLES

	2014/2015	2013/2014
	TZS.	TZS.
Employees Payables	535,478,673	681,109,931
Sundry Creditors	3,066,343,684	3,707,924,380
Recoverable Charges	<u>397,526,518</u>	<u>397,526,518</u>
TOTAL	<u>3,999,348,875</u>	<u>4,786,560,829</u>

TANZANIA PETROLEUM DEVELOPMENT CORPORATION

NOTE 19.4 OTHER LIABILITIES AND CHARGES

	30.06.2015 TZS	30.06.2014 TZS
VAT Payable	8,123,453,682	4,905,276,718
Outstanding liabilities	4,435,026,035	3,155,163,763
License Fees Payable	1,932,521,585	1,690,377,265
Royalty Payable	2,953,127,519	1,954,323,056
Training Fees Payable	<u>2,845,186,269</u>	<u>3,649,259,804</u>
TOTAL	<u>20,289,315,090</u>	<u>15,354,500,606</u>

NOTE 20.0: OTHER INCOME

Financial Year	30.06.2015 TZS.	30.06.2014 TZS.
House Rent Recoveries	79,955,966	115,010,000
Hire of Petrol Stations	17,289,000	30,115,734
Interest Income	333,914,575	290,698,678
Gain on Exchange rate fluctuations	31,606,926,824	4,220,316,816
Unrealized gain on exchange rate	7,028,099,365	-
Government Grant amortization	265,983,440	265,983,440
Tender fees	198,031,197	420,576,050
Divided Received	6,528,730,662	3,767,208,585
Miscellaneous income	102,183,592	29,381,181
Gas project income	144,152,348	-
ESCBP Project Fund	<u>254,876,621</u>	-
TOTAL	<u>46,560,143,591</u>	<u>9,139,290,484</u>

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NOTE 20.1: Gain on Exchange rate fluctuations TZS 31,606,926,824

The amount is mainly attributed by the amount deposited into the Escrow account denominated in US Dollars. Depreciation of Tanzanian Shilling against the US. Dollar during the period has been a result of this gain and in the actual fact is the major factor for the Corporation's surplus as reflected in the Statement of Comprehensive Income.

NOTE 21.0: SALES OF DATA

Total sales of Data	3,446,109,316	34,952,579,330
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NOTE 22.0: ADMINISTRATIVE AND ESTABLISHMENT EXPENSES

	2014/2015 TZS.	2013/2014 TZS.
Salaries/Wages and Staff Benefits	10,634,401,834	7,520,597,202
Training Expenses	8,203,889,575	5,975,199,357
Traveling and Conveyance	1,417,934,720	1,443,246,566
Postage, Telephone and Telex	158,976,017	247,543,553
Electricity and Water	82,382,001	81,367,525
Repairs and Maintenance	1,165,235,913	550,626,940
Printing, Stationery and Books	186,891,373	403,772,224
Rent	212,034,263	359,657,884
Rates and Taxes	413,649,195	431,733,212
Insurances and Licenses	112,368,068	108,832,630
Audit Fees	69,000,000	55,000,000
Advertisement and Publicity	485,297,938	420,334,847
Loss on Exchange Rate Fluctuation	235,753,142	1,492,340,715
Board Meeting Expenses and Directors Fees	383,755,661	827,807,350
Legal Charges	<u>759,723,735</u>	<u>110,231,600</u>
TOTAL	<u>24,521,293,434</u>	<u>20,028,291,605</u>

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NOTE 23.0: FINANCIAL EXPENSES

	2014/2015 TZS.	2013/2014 TZS.
Bank Charges	174,449,803	130,200,014
Interest on Credit:	<u>0</u>	<u>0</u>
TOTAL	<u>174,449,803</u>	<u>70,852,055</u>

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NOTE 24.0: GENERAL ADMINISTRATIVE EXPENSES

	2014/2015 TZS.	2013/2014 TZS.
Security Costs	398,320,000	391,320,000
Donations	506,205,983	119,500,507
Tender Board Allowance	118,239,381	212,819,441
IT Service and Contracts	990,390,256	617,541,612
Special Assignments	870,921,518	725,514,999
Recruitment and Hardship Allowance	1,020,347,773	1,707,804,958
TUICO and Workers Council	405,263,437	133,867,015
Fuel and Lubricants	254,159,983	171,710,782
Provision for bad & doubtful debts	6,834,815,415	
Fees and Subscriptions	82,799,030	57,596,086
Office Cleaning	150,053,951	122,353,450
Staff Welfare	<u>2,021,114,452</u>	<u>1,528,939,971</u>
TOTAL	<u>13,652,631,181</u>	<u>5,788,968,821</u>

NOTE 25.0: RELATED PARTY TRANSACTIONS

There were related party transactions, which represent the following:

(a) Emoluments

Financial Year	2014/2015 TZS	2013/2014 TZS
Directors Fees	24,200,000	24,200,000
Key Management Remuneration	1,096,260,000	1,096,260,000

(b) TPDC sells gas to Songas Tanzania Limited at arm's length transactions. TPDC through the Treasury Registrar holds 29% interest in the ordinary shares of Songas Tanzania Limited. Sales of gas, inclusive of VAT during the year were TZS. 15,620,397,254 (TZS. 15,573,170,029 in 2013/2014). The amount outstanding from Songas at the end of the financial year was TZS 60,457,564,972. (TZS. 31,843,275,245 in 2013/2014)

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- (c) The Ministry of Energy and Minerals is the parent ministry for TPDC. Transactions between TPDC and the Ministry during the year were as follows:

Financial Year	2014/2015 TZS.	2013/2014 TZS.
Government Subsidy	14,812,838,858	11,326,051,968
Funds paid by TPDC to the Government in respect of Gas Operations	13,584,407,883	36,863,070,126
PSA Training Funds paid by TPDC on behalf of the Ministry of Minerals and Energy	2,303,753,982	1,740,557,972

NOTE 26.0: EMPLOYEES BENEFITS

Employees' benefits for the year were as follows:-

	2014/2015 TZS	2013/2014 TZS
Employer's Pension Fund Contributions	912,620,619	680,839,874

NOTE 27.0 CREDIT ANALYSIS

Almost 90% of the sales are concentrated to few customers involved in power generation. The age analysis of credit customers balances is as follows:-

Period Outstanding	2014/2015 TZS.	2013/2014 TZS.
Receivables Due to Government:		
Up to 1 Month	26,026,352,142	2,061,007,266
1 to 3 Months	17,960,516,776	16,017,887,145
3 to 12 Months	87,327,804,765	52,287,371,938
Over 1 Year	-	-
Total	<u>131,314,673,682</u>	<u>70,366,266,349</u>
Trade Receivables:		
Up to 1 Month	7,594,430,016	22,466,624,113

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1 to 3 Months	440,320,461	2,175,421,009
3 to 12 Months	8,103,442,335	5,770,672,156
Over 1 Year	<u>5,849,473,770</u>	<u>5,849,307,120</u>
	<u>21,987,666,582</u>	<u>43,171,706,850</u>
Staff Receivables:	-	
Up to 1 Month	101,489,222	68,666,389
1 to 3 Months	23,860,790	23,478,000
3 to 12 Months	<u>144,002,737</u>	<u>27,509,928</u>
Total	<u>269,352,749</u>	<u>119,654,317</u>

NOTE 28.0: LIQUIDITY ANALYSIS

The liquidity of the various financial instruments possessed by the Corporation is as follows:-

Up to 1 Month	Over 1 to 3 Months	Over 3 to 12 Months	Over 1 to 3 years	Over 3 years	Total
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(Figures in TZS Billion)

30-06-2014						
Cash and Cash Equivalents	32.93	-	-	-	-	32.93
Trade and Other Receivables	24.60	18.22	58.48	5.85	-	107.15
Less: Trade and Other Payables	(3.07)	(16.02)	(65.82)	(0.40)	-	(85.31)
Working Capital Change	54.46	2.20	(7.34)	5.45	-	54.77
30-06-2015						
Cash and Cash Equivalents	67.07	-	-	-	-	67.07

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Stocks	-	-	0.42	-	-	0.42
Trade and Other Receivables	35.76	18.42	94.58	-	-	148.77
Less: Trade and other payables	33.29	30.39	92.76	0.40	-	156.84
Working Capital Change	69.54	(11.97)	2.24	(0.40)	-	59.42

NOTE 29.0: CAPITAL COMMITMENTS

The Corporation had capital commitments of Tshs 59.91 billion for the purchase of Gas to be transported under Mtwara-Dar Es Salaam Pipeline from the Gas Developers Visa Vis existing Mnazi Bay PSA.

NOTE 30.0: CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities which might arise are in respect of claim by:

- (i) Gazelle Trackers, a former tenant of the Corporation who was legally evicted from the Corporation's house for non-payment of rent amounting to TZS. 31,500,000. The ex-tenant has filed a counter claim for damages to her properties during the eviction exercise amounting to TZS. 85,329,086.
- (ii) Ms. Esther Lubanga, who owes the Corporation TZS. 25,196,755 in unpaid rent. The tenant has filed a claim for TZS. 11,500,000 as damage to her properties by the Corporation during an attempted eviction exercise.

The filed cases have not been determined as they are pending in court.

NOTE 31.0: LEASES

- (a) TPDC as a Lessor

The Corporation has entered into several lease agreements for the lease of residential properties. Lease agreement is for unspecified term. Lease agreements can be terminated by either part by giving three months' notice. Amounts of minimum lease payments at balance sheet date under operating leases in the aggregate and for:-

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Financial Year	2014/2015 TZS.	2013/2014 TZS.
The next Year	174,000,000	174,000,000
Year 2 through 5 combined	N/A	N/A
Beyond 5 Years	N/A	N/A

(b) TPDC as a Lessee

TPDC has entered into an operating lease agreement with the National Housing Corporation for rental of office accommodation under an agreement of unspecified period. Either party giving sufficient notice to the other party can cancel the agreement. Amount of minimum lease payments at balance sheet date under operating leases in the aggregate and for:

	2014/2015 TZS.	2013/2014 TZS.
The next Year	164,000,000	164,000,000
Year 2 through 5 combined	N/A	N/A
Beyond 5 Years	N/A	N/A

As the contract has not been renewed during the current year, the rent will remain the same during the period.

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NOTE 32.0: DEFERRED TAX

The Corporation did not make provision for deferred tax in the accounts since there are no temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized as required by IAS 12. Moreover, the Corporation does not intend to sell its houses in the open market in the near future.

NOTE 33.0: GROUP ACCOUNTS

No group accounts have been prepared since the Corporation is holding the shares in Songas Limited in trust for the Treasury Registrar. There is no effective control of the shares in the concerned Company.

NOTE 34.0: NUMBER OF EMPLOYEES

During the year the number of permanent staff was 373 (171 in 2013/2014). The increase of 54.15% of the new staff recruited is attributed to; new organization structure and gas plants and pipeline operations.

NOTE 35.0: GAS RESERVES

(a) Recoverable Gas

Two fields are under exploitation namely songosongo and Mnazi Bay. SongoSongo gas field under Production Sharing Agreement (PSA) with Pan African Energy Tanzania Limited. The Gas reserves for SongoSongo as assessed by independent consultants in 2010 at P90 confidence level is 697 billion cubic feet. The second field, Mnazi Bay is contracted to Maurel& Prom. Gas reserves in place at P90 level of confidence as assessed by an independent consultant in 2010 is 271 billion cubic feet of gas.

The summaries of recoverable gas reserves for the two fields are as follows:-

Confidence Level	Songo Songo Billion Cubic Feet	Confidence Level	Mnazi Bay Billion Cubic Feet
P 10	1070	P 10	1594
P 50	905	P 50	667
P 90	697	P 90	271

By June 2015, new gas discoveries (both offshore and onshore) amounted to 55.08 TCF i.e. 47.08 offshore and 8 TCF onshore.

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(b) Gas Sharing

The reserves are shared between the exploration companies and TPDC in accordance with sharing tranches within respective PSAs.

NOTE 36.0: EVENTS AFTER REPORTING DATE

Enactment of the following Acts by the Parliament;

- ✓ Petroleum Act 2015:
It has established 3 institutions i.e. Petroleum Upstream Regulatory Authority (PURA), Oil and Gas Advisory Board (OGAB) and recognized TPDC as a National Oil Company (NOC).
- ✓ Gas Revenue Management Act 2015.
Requires that, all revenues generated from upstream operations should be managed by the Special Fund maintained by BOT.
- ✓ Tanzanian Extractive Industry Transparency and Initiative Act 2015.
For advocating transparency in extractive industries including Oil and Gas Enforcement of these acts shall substantially affect the current activities and revenue of the Corporation.

Appointment of a new Board of Directors.

The Term of Service of the previous members of the Board of Directors ended on 30th November, 2015 after serving for a period of three years. Following the term of limit of the previous members of the Board of Directors new members were appointed on 30th May, 2016.

NOTE 37.0: COMPARATIVE FIGURES

Previous year's figures have been re-grouped wherever considered necessary in order to make them comparable with the current year's figures.

