REPORT OF THE CONTROLLER AND AUDITOR GENERAL

THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE

ISO 9001:2015 Certified

TANZANIA OFFICIAL SEED CERTIFICATION INSTITUTE (TOSCI)

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

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March 2026

AR/CG/TOSCI/2024/25

About the National Audit Office

Mandate

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

NAOT Vision, Mission & Motto

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

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

Motto
Modernizing External Audit for Stronger Public Confidence

Core Values

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

Professional competence: We deliver high quality audit services based on appropriate professional knowledge, skills, and best practices.

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

Creativity and Innovation: We encourage, create and innovate value-adding ideas for the improvement of audit services.

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

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

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Abbreviations

AFDP	Agriculture and Fisheries Development Programme
AGRA	Alliance for a Green Revolution in Africa
AIDS	Acquired Immune Deficiency Syndrome
ASI's	Authorised Seed Inspectors
DUS	Distinctness, Uniformity, and Stability
EUL	Economic Useful Life
GAVP's	Generally, Acceptance Valuation Principles
IFAD	International Fund for Agricultural Development
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
ISTA	International Seed Testing Association
NPT	National Performance Trial
OECD	Organisation for Economic Cooperation and Development
TFSRP	Tanzania Food System Resilience Program
TOAS	TOSCI Online Application Service System
TOSCA	Tanzania Official Seed Certification Agency
TOSCI	Tanzania Official Seed Certification Institute
USAID	United States Agency for International Development

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the Board,
Tanzania Official Seed Certification Institute,
P. O. Box 1056
MOROGORO - TANZANIA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Official Seed Certification Institute, which comprise the statement of financial position as at 30 June 2025, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Tanzania Official Seed Certification Institute as at 30 June 2025, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) accrual basis of accounting, as issued by the International Public Sector Accounting Standards Board (IPSASB) and in the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

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

I believe that the audit evidence I have obtained is sufficient and appropriate to support my opinion.

Key Audit Matters

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

Other Information

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

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

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

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

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

Subject matter: Compliance audit on procurement of works, goods, and services

I conducted a compliance audit of the procurement of works, goods, and services at the Tanzania Official Seed Certification Institute for the year ended 30 June 2025, in accordance with the Public Procurement Act, 2023 the Public Procurement Regulations, 2024, and related directives. I examined each phase of the procurement life cycle, including advertising of tenders, evaluation of bids, award of contracts and contract management, to confirm that the entity issued competitive solicitations, applied approved evaluation criteria, secured authorisations before award and maintained complete transaction records.

Conclusion

Based on the audit procedures performed, I conclude that the Tanzania Official Seed Certification Institute complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I conducted a compliance audit of budget formulation and execution at the Tanzania Official Seed Certification Institute for the year ended 30 June 2025, in accordance with the Budget Act, Cap. 439, and the Budget Guidelines issued by the Ministry of Finance. I reviewed budget submissions, approval memoranda, commitment registers, ledger entries and variance analyses to confirm that the entity prepared estimates in the prescribed format, obtained timely authorisations before incurring obligations, recorded transactions accurately and reported variances as required.

Conclusion

Based on the audit procedures performed, I conclude that, except for the matters described below, Tanzania Official Seed Certification Institute generally complies, in all material respects, with the requirements of the Budget Act and related Budget Guidelines.

Under-collection of Budgeted Revenue TZS 3.64 billion

Section 58(b) of the Budget Act, Cap. 439 requires a person vested with authority for public revenue collection to be accountable for efficient collection, accounting, and reporting, while taking precautions to prevent revenue mismanagement. My review on budget execution for the financial year 2024/25 revealed that TOSCI had budgeted to collect TZS 12,410,180,000 from internally generated funds through seed certification services, including seed field inspection, seed sampling and testing, training to seed dealers, provision of import and export permits, sale of labels, and DUS and NPT test charges. However, only TZS 8,769,066,159 was collected, representing 71% of the target resulting in an under-collection of TZS 3,641,113,841 (29%). This was caused by a delay in the year-round use of labels for vegetables and fruits, which limited the Institute's ability to finance planned activities, undermine service delivery, and affect the sustainability of internally funded operations.

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

2.0 FINANCIAL STATEMENTS

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

2.1 Introduction

The Governing Board of the Tanzania Official Seed Certification Institute (TOSCI) is pleased to present its Report and Financial Statements for the year ended 30 June 2025, which disclose the state of affairs of the Institute as at that date. The Governance report has been prepared in accordance with the Tanzania Financial Reporting Standards (TFRS) No. 1, approved and issued by the NBAA Governing Board at its 182nd meeting held on 22nd June, 2020. The standard replaces TFSR 1 in the NBAA Directors' Report issued on 1st January 2010 and becomes applicable to financial statements for accounting periods beginning on or after 1st January 2021.

2.2 Establishment

Tanzania Official Seed Certification Institute (TOSCI) is a Government Institution under the Ministry of Agriculture (MoA) established by the Seed Act No. 18 of 2003. TOSCI is responsible for certification, variety testing, and evaluation of quality agricultural seeds produced or imported into the country for sale. It is also entrusted with safeguarding the farming community by preventing the purchase of low-quality or counterfeit seeds from vendors of farm inputs.

TOSCI is the result of the transformation of the Tanzania Official Seed Certification Agency (TOSCA), established under the Seed Act of 1973, which was repealed in 2003. The transformation of TOSCI from TOSCA resulted from government reform initiatives aimed at improving the efficiency of public institutions. It was also due to the implementation of relevant national policies, such as the National Policy on food self-sufficiency, which recognises seed as a priority input for development. The first national seed initiative was a 12-year program conceived and implemented with assistance from USAID (1970 - 1982).

This program focused on establishing key institutions to produce and regulate the quality of the seed chain, from plant breeders' breeder seed to farming communities' certified seed. The legal and regulatory framework for controlling seed quality comprises the Seed Act 2003, the Seed Regulations 2007, and subsequent amendments. TOSCI's headquarters is in Morogoro. The Institute has four Zonal offices, namely, the Northern Zone (Arusha), the Lake Zone (Mwanza), the Southern Highland Zone (Njombe), and the Southern Zone (Mtwara).

2.3 Vision

A Farming Community with Quality Seed and Planting Material for Productivity and Profitability.

2.4 Mission

To control and enable seed quality through variety verification, seed and planting material certification and facilitate the private and public sectors to produce and sell seed of high quality that meets international quality standards.

2.5 Core values

To provide behaviour direction and employee attitude at TOSCI, the following core values are grounded in an organisational quality-based culture, with four cornerstones of leadership, integrity, accountability, and collaboration, to mould a common identity for all staff levels. These core values include

i. **Quality:** In what we do, we do it well, as the procedures involved have been controlled through excellent review systems and scientific protocols, which encompass efficiency and effectiveness.
ii. **Leadership:** In all managerial decisions, the courage to form a better future for TOSCI and the community is one through strategic leadership.
iii. **Integrity:** Always striving to maintain a reliable and trustworthy organisation in seed regulation processes.
iv. **Accountability:** For whatever is carried out, it's up to the executor to bear the results of the actions taken.
v. **Collaboration:** Influencing collective Intellect among employees as the primary approach and external stakeholders as secondary.

2.6 ENTITY OPERATING MODEL

Tanzania Official Seed Certification Institute is a Government Institution responsible for certification, variety testing, and evaluation of quality agricultural seeds produced or imported into the country for sale, whose inputs, operating activities, outputs, and outcomes are as follows:

2.6.1 Inputs

In the accomplishment of daily activities, the Institute has both technical and administrative members of staff, infrastructures including office spaces, equipped laboratories located at the Head Office and Zonal Offices, communication facilities, transport facilities and financial resources to cater for seed certification services

2.6.2 Operating/ Business Activities

The Institute differentiates itself in the market by providing seed certification services and seed quality control through performing its principal activities as follows:

i. Conduct seed field inspection;
ii. Effect sampling and testing;
iii. Conduct seed inspections in the premises;
iv. Accredit seed sampling and seed testing laboratories;
v. Train seed producers, seed inspectors and seed analysts;
vi. Issuing Import and Export Permits;
vii. Liaise with other international organizations on seed-related issues;
viii. Carry out a variety of performance tests;
ix. Carry out pre-and post-control tests; and
x. Enforce the Seed Act 2003 and promote self-compliance by stakeholders.

(a) Revenue Generation

The Institute's annual budget for Financial Year 2024/25 is TZS 20,845,054,057, compared to TZS 12,681,750,990.00 in 2023/24. The budget was financed by internally generated funds collected from fees for the provision of seed certification services, which include seed field inspection, seed sampling and testing, training to seed dealers, provision of import and export permits, sale of labels and DUS and NPT test charges, together with Government subvention to support payments of staff's salaries and funds from development partners. During the year under review, proportion-wise, the Government contributed 10.34%, Development Partners 29.24% and internally generated funds 60.42% of the total budget.

(b) The Institute's approach to innovation

The Institute is flexible and adaptable to change and, guided by its vision, encourages greater innovation and knowledge sharing with both local and international communities. TOSCI innovation has earned significant recognition in the science and technology community. This is evident in the automation of seed certification services through the establishment of TOSCI Online application Services (TOAS) and e-kilimo for seed Dealer registration and import and export permits.

(c) Adapting to change

The Institute's activities are regulated through both Local and International standards issued and revised from time to time by authorities and boards, such as the Public Procurement Authority (PPRA), the National Board of Accountants and Auditors (NBAA), and the International Accounting Standards Board (IASB)

In continuous adherence to best practices, the Institute is also a member of the International Seed Testing Association (ISTA), the Union for the Protection of New Varieties (UPOV), and the Organization for Economic Co-operation and Development (OECD) seed Schemes.

To ensure compliance with rules, regulations, and standards, and to implement proposed changes, the processes are reviewed and audited annually by internal and external Auditors from the Government and external bodies.

2.6.3 Outputs

The Institute had succeeded in controlling seed quality through the provision of quality certification services and variety release and evaluation.

Awareness creation on seed quality, advertisement, Seed Import and export permits and post-harvest inspections.

During the year under review, the institute had several outputs, including but not limited to:

i. 132 crop varieties were tested under DUS, whereby 109 DUS Certificates were issued out of 150 crop varieties planned to be tested;
ii. 327 samples were tested under control plots out of 250 control plots planned to be tested;
iii. 22 Varieties of different crops were tested under NPT out of 50 crop varieties;
iv. 5 Draft test guidelines were prepared; these are for Sunflower, Onion, Wheat, Cassava and Cloves out of the two planned DUS guidelines;
v. 3 protocols for Wheat, Sunflower and Rice were prepared for NPT and DUS;
vi. A Two NPT Technical Committee was organised, where 21 Varieties of different crops were presented and forwarded to the National Variety Release Committee for consideration;
vii. TOSCI participated in NVRC, 23 crop varieties were reported, whereby 16 varieties were forwarded to NSC. Also, 67 vegetable varieties and one (1) Sisal variety were presented for approval and approved; all approved Varieties were updated in the National Variety Catalogue;
viii. Thirty-two crop Researchers were trained on procedures of Variety Evaluation and Registration out of the planned 32 crop Researchers;
ix. Collected 3043 seed samples from the seed growers for testing seed quality, which account for 71% of the 4,270 samples planned;
x. Post-harvest seed inspections were done, in which 2,278 seed stockists were inspected out of 399 planned;
xi. A total of 19 seed companies were supervised, which is 100 % of the planned

xii. A total of 69,316.7ha (equivalent to 144%) of seed fields were inspected out of 55,285 ha planned;
xiii. A total of 1,744 seed dealers were trained out of 350 planned; this was achieved by 179.93%;
xiv. A total of 16211091 scratch labels for 32,141,350 kgs were produced;
xv. Improved Service Delivery by adopting and customising an agricultural input subsidy system that allows seed producers, importers and agro-dealers to distribute and sell maize seeds through the online subsidy platform;
xvi. The institute is strengthening data management by enabling the integration and secure data repositories, reducing data duplication and enabling faster data retrieval through centralised databases like TOAS. TOAS has been integrated with three (3) systems: GePG, eKilimo, and the Label printing system;
xvii. The institute is enhancing the security of the ICT systems and infrastructures by deploying one (1) firewall at TOSCI headquarters and adhering to e-Government regulations;
xviii. The Farmer's has productivity and income due to the establishment of the Lake zone office in Mwanza and the Southern zone office in Mtwara, and therefore, the number of zonal offices increased from two (2) zonal offices to four (4) zonal offices;
xix. Equipped the TOSCI Northern zone office seed laboratory in Arusha to cater for northern zone seed laboratory activities;
xx. Produced Standard Operating Manual for ISTA laboratory accreditation;
xxi. Through the Nanenane exhibition, the Institute succeeded in creating public awareness on certification services to 3,618 farmers and 1,708 farmers were registered in the digital maize subsidy. Additionally, 80 seed dealers were registered following training;
xxii. Internally generated revenue increased by 46%; and
xxiii. Automation of business processes by 100%.

2.6.4 Outcomes

According to the mid-year review of the TOSCI SP 2021/22 to 2025/26, the institute had recognised an outcome of its operations as follows:

i. Increase productivity in production and Profitability due to the provision of public awareness creation on the use of certified seed through training and advertisement media;
ii. Improving Food security and sustainability through increased nutritional value and availability to the community by the provision of seed certification and controlling seed quality;
iii. Moving seed certification services closer to the community through automation of seed certification services; and

iv. Decrease counterfeit seed in the market through regular post-harvest seed inspections.

2.7 CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

2.7.1 Significant features of the development and performance

The Institute has a five-year Strategic Plan covering the period 2021/22 to 2025/26. This SP was subject to the Mid Review to ensure it remains aligned with the Institute's current and future perspectives. The SP is directed towards achieving the core functions: seed and planting material certification and variety verification. It also emphasises human, financial, and infrastructural capacity building, quality assurance, outreach activities and the realisation of new organisational structures.

The Institute has the following development plans:

i) To enhance TOSCI capacity in quality service delivery;
ii) To construct a new Seed Laboratory in Mwanza and Mtwara, and open a new West Zonal Office in Tabora;
iii) To improve collaborative initiatives with fellow regulatory authorities in the agriculture seed industry, and various national and international stakeholders;
iv) TOSCI plans to use sites with irrigation facilities and renovation of irrigation structures at Mazimbu;
v) To expand public awareness about TOSCI services to the community in all Regions by the end of the year 2025/26, with emphasis on the farming community with Quality Seed and Planting Material for Productivity and Profitability;
vi) To expand transport facilities at TOSCI HQ and Zonal offices; and
vii) Improve collaborative initiatives with fellow regulatory authorities in the agriculture seed industry, and various national and international stakeholders.

Generally, the SP provides a roadmap for all TOSCI operations, supporting its mandate and providing a fundamental framework for planning, implementing, and evaluating activities across the Institute, which serves as the basis for efficient and effective resource allocation.

2.7.2 The Institute's Future Strategies

In the attainment of Institute objectives, the following strategies have been employed:

i. Increase internally generated income through strengthening the existing sources of own-source revenue;

ii. Increase efforts to solicit funds from different sources, including the Government and development partners, to enable TOSCI to construct new and rehabilitate the existing infrastructure;
iii. Improve awareness creation to the Public on the use of certified seed through an advertisement campaign;
iv. Improve Seed Quality Control capacity and provide quality seed certification services
v. Improve Compliance Legislation initiatives;
vi. Enhance information and technology in seed certification services by automating its services; and
vii. Develop human resource capacity through facilitating staff in career development through attending short and long courses.

2.7.3 The Institute's performance for the year under review

(a) Aspects of the Statements of Financial Performance Linked to Other Results

Results for the Year

During the financial year 2024/25, total revenue for the Institute was TZS 13,815,905,230.93 (2024: TZS 7,979,000,144.55). Likewise, total operating expenses were TZS 24,179,770,593.77 (2024: TZS 7,739,383,788.73), resulting in a deficit of TZS 10,363,865,362.85(2024: surplus TZS 239,616,355.82). The 2025 deficit is mainly attributable to the provision of seed subsidies of TZS 11,235,588,700.00, which remained outstanding during the year under review.

(ii) The Trend in Overall Expenditure

Generally, the Institute's expenditure and transfers increased from TZS 7,739,383,788.73 in 2023/2024 to TZS 24,179,770,593.77 in 2024/25. The increase in spending is directly attributable to increased Institute activities, including conducting seed field inspections, conducting seed sampling and testing, conducting seed inspections on the premises, training seed producers, seed inspectors, and seed analysts, carrying out variety performance tests, carrying out pre- and post-control tests, and providing seed subsidies.

(b) Performance for the Year

i. Increase in control plot tested, whereas a total of 327 samples were tested out of 250 planned;
ii. 22 Varieties of different crops were tested under NPT out of 50 crop varieties;
iii. 5 Draft test guidelines were prepared; these are for Sunflower, Onion, Wheat, Cassava and Cloves out of the two planned DUS guidelines; and

iv. 32 crop Researchers were trained on procedures of Variety Evaluation and Registration out of a planned 32 crop Researchers.

1. **Institutional Capacity Building**

a) Infrastructural Development

i. The Institute has acquired Land for the construction of a new Zone Office to save the Western Zone. The land is located in the Nzega District in the Tabora region;
ii. Electronic information database in operation;
iii. Three motor vehicles were procured; and
iv. Renovation of the seed testing Laboratory and Toilet in TOSCI Lake Zone-Mwanza (Completed by 100%).

v. **Work in Progress**

Expansion of the Office building at Head Headquarters-Morogoro (Completed by 55%)

b) Staff Development

During the year under review, 17 (2023/24:17) members of staff were undergoing training as indicated in Table 1 below:-

Table 1: The number of staff on training for the year 2024/25

Training Level	Technical staff	
	2024/25	2023/24
PhD	2	2
Master's Degree	9	9
Bachelor's degree	6	6
Total	**17**	**17**

Source: *The TOSCI Human Resource Department Reports 2024/25*

During the year under review, seven (7) members of staff completed their studies. Also, the Institute continued to support 69 staff members attending short courses, seminars, and workshops both within and outside the country.

2.7.4 Observed challenges during the financial year and their effect on development, performance, and future perspectives

The following were the identified challenges during the year: -

i. Inadequate financial resources;

ii. The use of farmer-served seed for planting is one of the misfortunes that hinders the efforts of controlling seed quality;
iii. Delay in implementation of some key activities due to insufficient funds hinders the capacity to offer the intended quality service to seed breeders and the wider farming community;
iv. Inadequate knowledge among many agro-dealers nurtures the distribution of substandard seeds to the farming community;
v. Limited transport infrastructure hinders the timely provision of seed field inspection services;
vi. Application of the Postpaid fee scheme exhausts TOSCI's financial resources and delays the implementation of other activities that also need financial provision;
vii. Poor observation of seed regulations by some seed dealers and seed breeders slows down the TOSCI mission of regulating the quality of agricultural seeds and planting material;
viii. Continual overusing of manned certification services instead of electronic certification services stifles available scarce resources, financial, material, human and time; and
ix. Aged infrastructure, which requires rehabilitation or replacement.

2.7.5 The state of key stakeholder relationships and how the organisation has responded to key stakeholders' legitimate needs and interests

The Institute has been keen to respond to stakeholders' needs, including but not limited to seed dealers, employees, employers, farmers, and TASTA. This has been enabled by effective feedback mechanisms, starting with internal communication in which stakeholders participate in decision-making meetings, and their views are channelled to the Institute's key decision-making bodies, including the Board of Directors. Further, the Institute has analysed stakeholders' needs to ensure that the Strategic Objectives are positioned to meet their expectations as shown in **Table 2** below:

Table 2: Stakeholders' Review

No	Stakeholders	Services expected	Stakeholders' expectation
1.	Agricultural Research Institutes	• Conducting DUS and NPT for new varieties • Field seed inspection • Seed sampling • Seed testing	• Timely seed quality control and certification
2.	The private sector, which includes seed, inputs and farm machinery dealers	• Registration of seed dealers/stockists • Inspection of seed dealers' warehouses/shops • Training on seed law and regulations • seed handling and storage • Issuing seed import and export permits	• Timely seed dealers' registration, warehouse/shops inspection, issuance of import and export permits, as well as routine TOSCI trainings on matters related to the seed business
3.	Tanzania Seed Traders Association (TASTA)	Collaboration with TASTA on all issues related to the seed industry	• The seed industry is assured with reasonable/reliable seed quality control and certification Services
4.	Local Government authorities, LGAs (from regional to village level)	• Coordination of all issues related to the establishment of the modalities for the appointment and accountability of Authorised Seed Inspectors in collaboration with the Ministries of Agriculture and Local Governments	• TOSCI can efficiently utilise Authorised Seed Inspectors
5.	Private companies involved in agricultural production	• Registration of seed dealers/stockists • Inspection of seed dealers' warehouses/shops • Training on seed law and regulations • seed handling and storage • Issuing seed import and export permits	• Timely seed dealer's registration, warehouse/shops inspection, issuance of import and export permits, as well as routine TOSCI trainings on matters related to the seed business
6.	Agricultural Seed Agency (ASA)	• To register seed fields • To inspect, sample, test, and certify seeds	• To get effective seed quality • Control and certification services
7.	Farmer Associations	• To collaborate in education about the use of	• To get from TOSCI any innovation in

No	Stakeholders	Services expected	Stakeholders' expectation
		certified seeds for farmers	issues related to the seed business
8.	Traders (input output)	• To encourage them to be involved in the seed business	• Seed Traders well-trained on seed business, seed quality control, and certification
9.	Small-scale farmers	• Training on the importance of using certified seeds • Trainings on seed production, seed law and regulations	• Small-scale farmers well-trained on seed production, seed quality control, and certification
10.	NGO's and CBO's Religious organisations	• To work with them in their activities of supporting communities dealing with the seed business	• To get assistance and training whenever needed
11.	Financial institutions	• Financial institutions can give loans to TOSCI staff and deal with TOSCI's financial issues	• Motivation of TOSCI staff through bank loans, therefore, the quality of services offered by TOSCI to the seed industry improved
12.	Universities	• University students to be accommodated for field practical trainings • Use of our laboratories for research purposes	• To be accommodated whenever needed
13.	Development partners (IITA, CIMMYT, CIP and World Bank)	• Collaboration with Development partners on issues related to seed quality control and certification • Following the proposal write-up, TOSCI receive funds from Development partners to effectively offer seed quality control and certification services	• To get project deliverables as agreed
14.	International organisations (ISTA, UPOV, OECD and AFSTA)	• Join with International organisations to ensure that Tanzania complies with the international seed trade	• Removal of barriers in the international seed trade. Good quality seed can be imported, and seed companies can export their seed abroad, therefore expanding the seed business

2.7.6 The main trends and factors which are likely to impact prospects

In implementing the 5th TOSCI SP 2021/22 - 2025/26, the Institute had eight Strategic Objectives, including;

i. To enhance TOSCI capacity in quality service delivery;
ii. To strengthen operational structures;
iii. To expand public contact to TOSCI services;
iv. Implement regional harmonised seeds standards and procedures;
v. To improve collaborative initiatives with fellow regulatory authorities in the agriculture seed industry, and various National and international stakeholders;
vi. To improve human capital management and financial resources management;
vii. To reduce HIV/AIDS infection and provide support services; and
viii. To enhance and sustain the National Anti-Corruption policy and strategies.

Based on prior experience and the implementation of the 5th TOSCI-SP Strategic Objectives, the Institute is estimated to incur an overall expenditure of TZS 62,286,262,366.00, of which the Government is expected to contribute about TZS 24,146,743,525.00 in the form of personal emoluments and development funds. Development partners are expected to contribute approximately TZS 6,025,697,578.00 to fund TOSCI activities. TOSCI, on the other hand, is expected to raise TZS 32,113,821,263.00 from internal sources to contribute to the Plan as summarised in **Table 3** below:

Table 3: Financing Contribution to the 5th TOSCI-SP 2021/2022-2025/2026

Sources	Contribution (TZS)	Percentage (%)
Government subvention	24,146,743,525.00	38.8
Internally generated income	32,113,821,263.00	51.6
Development Partners	6,025,697,578.00	9.6
Total	62,286,262,366.00	100

In the accomplishment of these milestones, the Institute has the following underlying assumptions:

i. Availability of adequate human, financial and infrastructural resources to implement the planned activities for the achievement of the Strategic objectives;
ii. Continued willingness of stakeholders to support and respond effectively to the needs of TOSCI during implementation;
iii. Improved working conditions to motivate and retain staff;
iv. Presence of an effective monitoring and evaluation system that is accompanied by systematic and efficient information sharing mechanisms; and
v. Prevalence of Peace and security at the Institute and the Nation as a whole.

2. The Institute's expectations about the external environment are likely in the short, medium, and long term

The Institute operates in an environment with numerous stakeholders who have different expectations and needs. The Management conducted a scan of the internal and external environments and identified strengths, weaknesses, opportunities, and threats to detect and mitigate risks, and to tap into emerging opportunities to achieve a brighter future and accomplish the strategic objectives. The analysis is shown in Table 4 below:

Table 4: SWOC Analysis

Factors	Strengths (S)	Weaknesses (W)
Internal Factors	• Strong regulatory framework for seed certification. • State-of-the-art laboratory facilities. • Effective leadership. • Strong relationships with stakeholders. • High-quality seed certification process.	• High costs associated with • Certification and testing. • Insufficient staffing and training infrastructure.
	Opportunities (O)	**Challenges (C)**
External Factors	• Growing global demand for certified seeds. • Technological advancements in seed certification. • Government policies supporting agricultural Development (National Agriculture Policy (2013), Seeds Act (2003) and Seeds Regulations 2007). • Opportunities for Public-Private Partnerships (PPP).	• Limited access to seed fields for timely inspections. • Presence of counterfeit seeds in some areas. • Climate change is negatively affecting seed quality. • Low awareness of certified seeds among small-scale farmers. • Variability in enforcement of seed certification regulations across regions. Limited financial resources. • Inadequate transport and infrastructure for inspections.

Based on the above analysis, the key strategic issues are as follows.

i) To strengthen TOSCI operational structures;

ii) To expand public contact to TOSCI services;

iii) To improve collaborative initiatives with fellow regulatory authorities in the agriculture seed industry, and various national and international stakeholders;

iv) To improve human capital management and financial resources management;

v) To reduce HIV/AIDS infection and provide support services; and

vi) To enhance and sustain the National Anti-Corruption policy and strategies.

2.8 RESOURCES

The Institute has a vast range of resources that support its efforts to achieve its strategic objectives, including human, financial, and technological resources, including, but not limited to, the human and financial resources analysed below.

2.8.1 Financial Resources

During the year under review, TOSCI received revenue of TZS 13,815,905,230.93 (2024: TZS 7,979,000,144.55). The Institute's significant sources of funding are internally generated income, Government subvention, and funds from Development Partners.

2.8.2 Intellectual Resources

On the technological side, TOSCI has made significant efforts to adopt modern technologies and become the centre of excellence in seed quality control. Further, TOSCI has expanded its services nationwide through its membership in ISTA and the OECD Seed Schemes.

This has been possible because of having both administrative and core-function technical staff who spearhead day-to-day activities, including seed inspections, seed testing, training, variety testing, and evaluation.

Further, the University has systems, procedures, and protocols for managing all resources, including financial and non-financial. This includes the subsequently adopted "Mfumo wa Uhasibu Serikalini (MUSE)", the National e-Procurement System of Tanzania (NeST), the Government electronic Payment Gateway (GePG) for collection of revenue, the Planning and Reporting System (PlanRep), the internally developed Online Seed Certification Services (TOAS), Public Employee Performance Management Information System (PEPMIS) and e-office, Government Management Information System (GAMIS).

To facilitate these, TOSCI is connected to the National Fibre Optic cable, which provides robust internet services that support the established Local Area Network (LAN) across campuses. Also, financial management information systems are widely connected over the internet via a Virtual Private Network (VPN).

2.8.3 Human Resources

In terms of human capital, TOSCI has well-qualified staff in Agriculture and administration. Likewise, Management adheres to good governance and promotes good labour relations. The Institute upholds the principles of fairness and equity, gender disparity and ethical values, integrity, and participatory management. Human capital is managed in accordance with standardised procedures issued by the Government of Tanzania.

During the year under review, the Institute had a total of 112 employees (2024: 110), which includes 82 male and 30 female staff. The staff are responsible for managing the Institute's seed certification services and administrative affairs.

2.8.4 Natural Resources

The Institute has natural land resources. This includes the Land located in Morogoro Mkundi, Njombe, Mtwara, Mwanza and Tabora.

The location and ownership details are shown in **Table 5** below.

Table 5: The lands owned by the Institute for the year 2024/25

S/N	Plot No	Block No	Title No	Location
1	408	V	40429-DLR	Morogoro Municipality- Kiegeya
2	99	A	22417 MTW1R	Mtwara - Mbae
3	1	E	103096 MWZ	Mwanza - Ngudama
4	79	A	21707 TBR	Tabora - Ipazi
5	6	AA	49679 MBYLR	Njombe- Itulike

Source: The Institute fixed assets register 2024/25

2.8.5 Social and Relationship Resources

The Institute has substantial social capital because it provides training in quality seed certification to seed dealers and develops their skills.

2.9 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

The Board of Directors is ultimately responsible for risk management, determining the system of internal controls operated by the Institute and for monitoring the effectiveness of the control environment.

It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis to provide reasonable assurance regarding:

i. The effectiveness and efficiency of operations.
ii. The safeguarding of the Institute's assets.
iii. Compliance with applicable laws and regulations.
iv. The reliability of accounting records.
v. Business sustainability under normal as well as adverse conditions.
vi. Responsible behaviours towards all stakeholders.

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

The Board of Directors assessed the internal control systems throughout this financial year and is of the opinion that they met accepted criteria. The Management conducts risk and internal control assessments through the Audit Committee.

2.9.1 Key elements of the system of internal control

Management receives reports outlining key performance and risk indicators and considers potential control issues flagged by early warning mechanisms. Key elements of the system of internal control are as follows: -

i. Budgets

Detailed annual budgets are prepared by Management and reviewed and deliberated by the Institute's Finance, Planning and Budget Committee before being approved by the Board of Directors. The budget briefing takes place annually and is reviewed mid-year by the Budget Committee and management.

ii. Competence

Staff skills are maintained through both a formal recruitment process and a performance appraisal system that identifies training needs. Also, necessary training, both in-house and externally, helps to consolidate existing staff skills and competencies.

iii. Risk Assessment

The Governing Board understands the specific sources of risk and analysis of their impact on its operations at TOSCI. In the financial year 2024/25, the Board used risk assessment frameworks to analyse cost-effective mitigation strategies. Among the types of risks

Table 6: Types of Risks and Mitigation Measures

Type of risk	Cause	Mitigation
Strategic	Threat to National Performance Trials for crop varieties	To improve/provide irrigation infrastructures, make pesticides available and use during experiments, select sites with favourable weather conditions and Timely planting of experiments

Type of risk	Cause	Mitigation
Operational	Potential presence of fake seed labels in the market.	Timely post-harvest seed inspection, to create awareness among seed dealers to adhere to the Seed Act and its regulations and creation of awareness among seed stakeholders on the importance of using certified seeds.
Financial - currency and credit risk	Depreciation of foreign currency and likelihood of default, and Variations in price and foreign exchange rate	Transacting using local currency and credit rating, establishing credit limits, and encouraging upfront payment
Compliance	Adverse change in regulations guiding the operation	Be optimistic and well-informed about government legislation and decisions.
Liquidity/funding	Potential deficiency of financial resources in the implementation of activities	Prepare and implement a realistic annual budget; strengthen resource mobilisation strategies; implement regular financial monitoring and forecasting; implement cost-control and efficiency measures; and provide staff training and capacity building.
Technical Risk	Asset management risks include machine failure; IT risks include virus incidents, computer crashes, System Downtime/Hardware failure, and Server failure leading to service disruption.	Adoption of policies and systems that are strong and relevant in curbing the risk

Source: *Risk Framework and Register*

2.10 STAKEHOLDERS' RELATIONSHIP

The Institute continued to maintain strong relationships with all stakeholders, including development partners. The Institute also recognises that effective communication with stakeholders is essential to good governance. Following this, the Institute's financial statements are publicly available.

The Institute recognises the importance of addressing the needs of its key stakeholders to add value, meet their expectations, and fulfil its mission. The stakeholders of TOSCI are those with an interest in, or who are directly or indirectly affected by, the Institute's operations. The major stakeholders identified include:

Government and policy makers, Farmers, Agro dealers, employees, Board Members, Employers, Collaborative Institutions, Regulatory Bodies and Authorities, Development Partners, Professional Boards, Agricultural Processors and Industries, Financial

Institutions, Suppliers, neighbouring local communities, as provided in **Table 2** in this report.

2.11 CAPITAL STRUCTURE AND TREASURY POLICIES

2.11.1 The Capital Structure of the Institute

The Institute's capital structure comprises debt and equity, with a debt-to-equity ratio of approximately -2.2 during the year under review. The recommended debt to equity ratio is between "0.4 to 1", indicating a unfavourable position. However, it is unfavorable position was caused by provision of maize seed subsides provided by Government amount to TZS 11,971,291,500.00 which was still unpaid to the seeds producers at the reporting date. The government has committed to pay these bills for financial year 2025/2026 which will create favorable position for debts to equity ratio.

2.11.2 Treasury Policies and Objectives

The Institute's finances are managed in accordance with guidelines, including the Government Standing Orders and Regulations, and the Financing Agreements and/or MoUs signed between the Institute and funders. All transactions are managed using budgetary tools and conditions, with controls specific to the funding type; for instance, donor funding is treated as restricted.

The Institute did not accrue any interest on deposits with commercial banks, as all funds are kept with the Central Bank of Tanzania (BoT). All the closing balances in the Statement of Financial Position at the year-end are translated using the BoT spot exchange rate as of 30 June 2025.

2.11.3 Resource Accountability Requirement

All of the Institute's resources, such as technical and financial, human resources, are governed by the Public Finance Act, the Seed Act, the Public Procurement Act, the Budget Act and its Regulations, the Policies and Procedures, including the Accounting Manual, the Human Resource Procedures Manuals, the Standard Operating Manual (SOP), etc. Additionally, there are other tools, such as Financing Agreements, project documents, work plans, and budgets, specific to managing development partners' funding. Furthermore, there are Government guidelines and Standing Orders for such purposes.

In a nutshell, the Institute operates under the principles of good governance, where all matters are reported through the Board meeting on a quarterly basis. Further, the University is being Audited by other external bodies including the International Seed

Testing Association -ISTA, Organization for Economic Cooperation and Development - OECD seed Scheme for accreditation purposes, the Tanzania Revenue Authority (TRA) in Tax compliances, the Public Procurement Regulatory Authority (PPRA) in procurement compliance issues, Office of Treasury Registrar (OTR) on governance matters and other fiduciary assessments and due diligences from donor and the annual audit of the consolidated financial statements done by external auditors.

2.12 CASH FLOWS

The Basis of Cash Flow Projection

The Institute prepares its budgets in accordance with the Medium-Term Expenditure Framework (MTEF), which also includes the preparation of cash flow forecasts to manage inflows and outflows on a quarterly basis. The cash flow projection includes estimates of inflows and outflows from exchange and non-exchange transactions generated from operating, investing, and financing activities.

2.12.1 Cash Flows from Operating Activities

Over the past years, the Net Cash flows from operating activities have decreased from TZS 1,439,755,292.47 in 2023/2024 to TZS 1,311,251,973.90 in 2024/2025. The decrease was due to the Institute's decision to increase spending on investment activities rather than operating activities.

2.12.2 Cash Flows from Investing Activities

Over the past years, the total cash flows from investing activities have increased from TZS 38,864,751.20 in 2023/2024 to TZS 1,169,642,103.47 in 2024/2025. The increase is attributable to the Institute's focus on expanding development activities in accordance with its SP 2021-2026.

The OFR should discuss the cash inflows and outflows during the financial year, along with the entity's ability to generate cash, to meet known or probable cash requirements and to fund growth. Any discussion should supplement the information provided in the financial statements. This could include, for example, the existence and timing of capital-expenditure commitments and other known or probable cash requirements. When entities have a cash surplus relative to future operating requirements and current distribution levels, the discussion should include plans for the use of the excess cash.

2.13 LIQUIDITY

2.13.1 Ability to fund the current and future operations

The Board of Directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of Directors has reasonable expectations that the Institute has adequate resources to remain in operation for the foreseeable future. Although the Institute current ratio is 0.2:1 still there is going concern because currently the Institute has received TZS. 11,235,588,700 to finance current liabilities.

During the year under review, the total current assets have increased from TZS 2,029,363,677.50 in 2023/24 to TZS 2,754,286,977.66 in the financial year 2024/25, while the current liabilities have increased from TZS 1,657,922,005.07 in 2023/24 to TZS 13,874,314,251.62 in 2024/25.

2.13.2 Restrictions on the ability to transfer funds

i. The Institute upholds budgeting principles of allocating funds to each activity in accordance with the approved budget; and
ii. The Institute treats Development Partners' funds with Financing Agreements signed between TOSCI and Development Partners as restricted funds. Upon receipt, these funds are recorded as deferred income in accordance with the terms of the signed contracts or MoUs.

2.14 KEY PERFORMANCE INDICATORS (KPIs)

The situational analysis highlighted the need for defined, aligned objectives that feed directly into TOSCI Vision and Mission. Those objectives, as major milestones, serve as road signposts, supported by targets as sub-milestones, to meet service requirements for customers and stakeholders.

To measure performance and evaluate the success of the Institute's objectives and its targets, the following performance indicators were used:

- Number of ICT Policies to review.
- Number of reports prepared.
- Number of Management letter responses facilitated.
- Number of technical staff trained.
- Number of Internal audit reports prepared.
- Number of Financial Statements reports reviewed.

Table 7: Measurement of performance as per documented Key Performance Indicators (KPIs) during the year 2024/25

Targets/Definition	Definition	Key Performance Indicators/Calculation methods	Implementation Status/ Achievement by Target	Achievement in %
1. Seed Quality	To conduct	• Number of control	A total of 327	130.8

Targets/Definition	Definition	Key Performance Indicators/Calculation methods	Implementation Status/ Achievement by Target	Achievement in %
Control services improved by June 2026.	control plot testing for 250 samples of crop varieties by 2025.	plot testing conducted.	samples were tested in control plots, out of the 250 planned.	
	To conduct National Performance Trials for 50 crop varieties by June 2025.	• Number of National Performance Trials (NPT) conducted.	22 Varieties of different crops were tested under NPT out of 50 crop varieties planned.	44
	To conduct the DUS test for 150 crop varieties by 2025.	• Number of Distinctness Uniformity and Stability (DUS) Tests conducted.	132 crop varieties were tested under DUS, and 109 DUS Certificates were issued out of the 150 planned.	88
	To develop DUS test guidelines for two crops by June 2025.	• Number of DUS test guidelines developed.	5 Draft test guidelines were prepared; these are for Sunflower, Onion, Wheat, Cassava and Cloves.	250
Awareness and compliance on the variety evaluation and release procedure strengthened by June 2024	• To train 30 crop researchers on variety valuation and registration procedures by June 2025	• Number of Researchers trained	38 crop researchers trained	127
2. Seed Certification Services Enhanced by June 2026	To conduct 1,900 seed stockist inspections	• Number of post-harvest seed inspections conducted.	2,278 seed stockists inspections conducted	120
	To collect 4,300 seed samples	• Number of samples of crops collected.	3,300 seed samples were collected and tested	79
	To inspect 55,285 ha of public and private seed fields.	• Number of public and private seed fields inspected.	69,316.7 ha of seed field were inspected	125
	• To train 1,000 Agro-dealers and Authorised seed	• Number of Seed dealers, Agro-Dealers, and Authorised Seed	1,744 Agro-dealers and Authorised seed inspectors were	174

Targets/Definition	Definition	Key Performance Indicators/Calculation methods	Implementation Status/ Achievement by Target	Achievement in %
	inspectors.	Inspectors trained.	trained.	
1. ICT Policy in application by June 2026	To establish 1-ICT Policy	• TOSCI ICT policy in use	The ICT Policy developed and in use	100
2. Electronic Information database in operation by June 2026	To conduct an electronic information database	• Electronic information database in operation	Electronic information database in operation	100
3. Internal communication infrastructure strengthened by June 2026.	To strengthen the Local Area Network (LAN)	• Local area network (LAN) strengthened.	Local area network (LAN) strengthened.	100
4. Procurement of goods, works, consultancy and non-consultancy services facilitated by June, 2026	• To organise 10 TOSCI Tender Board (TTB) meeting and (TTB) sub-committee meeting by June 2025 • To prepare five tendering documents by June 2025 • To process 45 procurements of goods, works, consultancy services and non-consultancy services by June 2025	• Number of Tender Board meetings organised. • % of tendering documents prepared. • % of procurement processed.	• Four tender board meetings were organized and six tender board sub-committee meetings. • Five Tendering documents were prepared • 36 procurements of goods, works, consultancy and non-consultancy services were executed	100 100 80
4. Stock and Asset Management facilitated by June 2026	• To conduct Annual stock taking and Stores Tests at TOSCI -HQ and Zonal Offices by June 2025 • To update	• % of stock taking and Stores Tests conducted. • % of Inventory sheets and coding of new assets updated. • % of stock	• Annual stock taking and stores test were conducted at TOSCI HQ and Zonal offices • Inventory	100 100

Targets/Definition	Definition	Key Performance Indicators/Calculation methods	Implementation Status/ Achievement by Target	Achievement in %
	Inventory sheets and coding of new assets at TOSCI - HQ and Zonal Offices by June 2025	verification and asset disposal facilitated.	sheets and assets were coded at TOSCI HQ and Zonal offices • Stock verification exercise was conducted at TOSCI HQ and Zonal offices	80
5. Accounts operations facilitated by June, 2026.	Prepare Annual Financial Statements by June 2025	• Number of Financial reports prepared.	Financial reports were prepared and submitted to the required authorities.	100
	To facilitate one Management letter response and submit to the Ministry of Agriculture, National Audit Office and Treasury Registrar by June 2025	• Number of Management letter responses	One Management letter response was prepared and submitted to the authority.	100
	To update the Asset Register at TOSCI - HQ and Zonal Offices by June 2025	• % of updated Asset Register	The Asset Register was updated for all assets in GAMIS.	100
	To facilitate accounts activities by June 2025	• Number of payment vouchers prepared	4,109 payment vouchers were prepared	100
	Annual Assets Impairment tests by June 2025	• % of Assets Impairment tests conducted	The Assets Impairment report was prepared	100
6. Performance Contract prepared by June 2026.	To prepare a performance contract by June, 2025	• Number of performance contracts submitted.	A performance contract was prepared and submitted to the Treasury Registrar	100
7. Plans and Budgets prepared by June 2026.	• To prepare MTEF budget by June, 2025	• MTEF budgets reports prepared	MTEF budgets were prepared	100

Targets/Definition	Definition	Key Performance Indicators/Calculation methods	Implementation Status/ Achievement by Target	Achievement in %
8. Periodical progress/performance reports coordinated in June 2026.	To prepare 4 progress/ performance reports by June 2025.	• Number of reports prepared.	4 progress/ performance reports were prepared	100
9. Institute's Strategic Plans (SP) prepared by June 2026.	To review Strategic Plans (SP)	• Strategic Plans (SP) reviewed.	Strategic Plans (SP) were reviewed.	100
13. The internal control system will be managed and evaluated by June 2026.	To prepare 5 internal audit reports and submit per the audit plan by June,2025	• Number of reports prepared. • Number of seminars conducted. • Number of Financial Statements reports prepared. • Number of Management letter responses facilitated.	5 internal audit reports and submitted per audit plan by June,2025	100
1. Qualified staff recruited as per the TOSCI job description and staff establishment by June 2026.	• To recruit staff by June 2026 • To conduct one induction course for new staff and appointees by June 2025	• Number of staff recruited. • Number of induction courses conducted.	• 19 staff recruited by June 2025 • One induction course for new staff and appointees to be conducted by June 2025	100
2. Performance Management based on OPRAS conducted on an annual basis by June 2026.	• To facilitate PEPMIS and PIPMIS by June 2025	• Number of PEPMIS and PIPMIS training conducted.	• One awareness session on PEPMIS and PIPMIS was conducted for TOSCI staff in 2025	100
3. Human Resource Management conducted by June 2026.	• To provide 106 TOSCI staff with employment entitlements and benefits by June 2025 • To improve awareness of	• Number of staff obtained entitlements and benefits. • Training Program Prepared.	• 106 TOSCI staff received employment entitlements and benefits by June 2025 • One awareness session on rules	100

Targets/Definition	Definition	Key Performance Indicators/Calculation methods	Implementation Status/ Achievement by Target	Achievement in %
	staff regulations, policies, and enhanced staff capacity by June 2025		and policies was conducted in June 2025	
4. Risk management framework implemented by June 2026.	• To facilitate 1 coordinators and 7 risk champions to attend risk management training. • To facilitate preparation of risk management framework reports	• Number of Coordinators and Champions trained. • Number of risks identified. • Risk evaluation reports prepared.	• 8 TOSCI staffs received training workshop for risk management • Four quarterly reports was prepared. • 13 risks identified and measurement control was placed	100
5. Human Resource capacity improved by June 2026	• To facilitate 13 staff to attend long courses & 19 staff to attend short courses by June 2025 • To facilitate the attendance of 8 staff to attend professional training by June 2025	• Number of staff attended short and long courses. • 8 staff facilitated to attend professional training by June 2025	• 13 Staff attended long courses, and 19 staff attended short courses. • 8 staff attended professional training by June 2025	100
6. Client charter in operation by June 2026.	• To monitor implementation of the TOSCI client service charter by June 2026	• Number of evaluation reports prepared.	TOSCI client service charter implemented by June 2025	100
1. Comprehensive staff establishment prepared by June 2026	• To prepare TOSCI PE Budgets and submit to the responsible Authority by	• Comprehensive staff establishment document	• PE Budgets prepared and submitted to the responsible Authority by	100

Targets/Definition	Definition	Key Performance Indicators/Calculation methods	Implementation Status/ Achievement by Target	Achievement in %
	June 2026		June 2025	
2. Management operations facilitated by June 2026.	• To organise four TOSCI Management committee meetings by June 2026 • To facilitate transportation services for eleven motor vehicles at TOSCI HQ and Zonal Office by June 2025	• Number of meetings organised. • Transportation services facilitated.	• Four TOSCI Management committee meetings facilitated by June 2025 Eleven motor vehicles are to be facilitated to provide transport services at TOSCI HQ and the Zonal office by June 2025	75 91
1. HIV/AIDS sensitisation programs prepared and implemented by June 2026	• To provide support to staff living with HIV/AIDS by June 2026	• Number of Sensitisation programs prepared	• One testing awareness campaign was enhanced for the TOSCI staff by June 2025	100
2. HIV/AIDS Sensitisation seminars conducted by June 2026	• To conduct HIV/AIDS Sensitisation seminars for 73 TOSCI staff	• Number of Sensitisation seminars conducted	• One sensitisation seminar was conducted for 73 TOSCI staff by June 2025	100
4. HIV/AIDS protective gears distributed by June 2026.	• To distribute 500 protective gears by June 2025	• Number of protective gears distributed.	• 500 protective gears distributed by June 2025	100
1. Awareness seminars on good governance and accountability to be conducted by June 2026	• To create awareness among 73 TOSCI staff on ethical issues by June 2026	• Number of seminars conducted.	• 73 TOSCI staff trained on ethical issues by June 2025	100
2. Good Governance and Accountability instituted by June 2026	• To train 73 staff on good governance and anti-corruption practices by	• Number of staff	• 73 staff attended the Anti-Corruption seminars by June 2025	100

Targets/Definition	Definition	Key Performance Indicators/Calculation methods	Implementation Status/ Achievement by Target	Achievement in %
	June 2026			

2.14.1 Assumptions underlying the Key Performance Indicators

The key assumptions and risks of implementing the SUACSP and related measures of performance are presented below;

i. Availability of adequate financial resources to implement the planned activities for the achievement of the SP objectives;
ii. Deployment and employment of competent staff in the Planning and M&E;
iii. Continued willingness of development Partners to support the implementation of TOSCI activities through the provision of funds and other facilities; and
iv. Improved working conditions to motivate and retain staff.

2.14.2 Resource Mobilization and Allocation Plan

Effective implementation of the TOSCI-SP depends upon various sources of funding, including government subventions, grants, and internally generated funds, development partners, and the private sector. There is an institute-wide resource mobilisation strategy to enhance income generation. The strategy has been cascaded to the Institute units to enable them to prepare their respective resource mobilisation plans. Furthermore, resource allocation is centrally managed by the Finance, Planning and Budget Committee.

2.14.3 Commentary on future targets

The TOSCI-SP and related KPIs have accounted for developments likely to affect the delivery of Institute seed certification services, such as the increasing quality of seed and planting materials, and the productivity and profitability of the Seed Dealer. Further, developments in information and communication technologies, especially their convergence and integration with Government institutions, and Public awareness concerning seed certification services.

2.15 CORPORATE GOVERNANCE MATTERS

2.15.1 Institute Board of Directors

The Board takes overall responsibility for the Institute, including identifying key risk areas, monitoring investment decisions, assessing significant financial matters, and reviewing the performance of management's 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 of Directors consists of six members. One of the members of the Board of Directors holds an executive position (Director General) at the Institute. The Board of Directors has overall responsibility for the Institute, including identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management's business plans and budgets.

The Board of Directors 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 of Directors is required to meet at least four times a year. The heads of Department and Unit are invited to attend Board of Directors meetings to ensure effective oversight of all the Institute's operational activities. During the financial year 2024/25, the Board of Directors has held three (3) planned meetings and discussed the following key matters:

i) Continue use of information Technology in the provision of seed certifications and control services in order to facilitate and increase the accessibility of services provided by the Institute;
ii) Continue to provide awareness to stakeholders about the seed law and its regulations in order to strengthen the seed industry;
iii) Increase revenue source by continuing to expand core functions and finding Development Partners;
iv) Review and provision of recommendations and Management on quarterly progress reports;
v) Review and recommendations on quarterly Risk Management reports;
vi) Review and recommendations on Internal Controls on a quarterly basis;
vii) Review and recommendations on Audited Financial Statements and Management letter for the year 2024/25; and
viii) Review reports of outstanding receivables and direct the management to put more effort into the collection of outstanding receivables.

The Institute is committed to the principles of effective corporate governance. The Board of Directors Members also recognise the importance of integrity, transparency, and accountability.

Composition of the Board of Directors

The members of the Board of Directors of the Institute who have served during the accounting period are shown in **Table 8** below:

Table 8: Members of the Board of Directors

NO.	NAME	POSITION	GENDER	AGE	QUALIFICATIONS	NATIONALITY	DATE OF APPOINTMENT	DATE OF EXPIRY OF TENURE
1	Dr. Liliani F. Shechambo	Chairperson	female	46	PhD Crop Science	Tanzanian	04/06/2025	03/06/2028
2	Nyasebwa E. Chimagu	Secretary	Male	47	MSc Agricultural Economics, MSc Economics, BSc Agricultural Education	Tanzanian	04/06/2025	03/06/2028
3	Zubeda Mduruma	Member	Male	72	PhD Plant Breeding	Tanzanian	04/06/2025	03/06/2028
4	Evangelista Chiunga	Member	Female	42	MSc. Plant Production Sciences (Major in plant pathology)	Tanzanian	04/06/2025	03/06/2028
5	Dr. Benignus Valentine Ngowi	Member	Male	52	PhD in Agricultural Entomology	Tanzanian	04/06/2025	03/06/2028
6	Shida Lufungulo	Member	Male	39	Bsc. in Agricultural General	Tanzanian	04/06/2025	03/06/2028

2.15.2 Audit Committee

The Audit Committee's role in this area is limited to a high-level review of internal control arrangements. The Institute's Internal Auditors monitor the system of internal control, risk management, and governance processes in accordance with an agreed plan and report their findings to management and the Audit Committee. Management is responsible for implementing agreed-upon audit recommendations, and the Internal Auditors conduct follow-up reviews to confirm implementation.

The Audit Committee considers summarised reports, together with recommendations to improve the Institute's internal control systems, management responses, and implementation plans. Whilst management attends Audit Committee meetings as necessary, they are not members of the committee.

Composition of Audit Committee

The Institute has established an Audit Committee as per the requirements of Regulation 30 (1) (a) of the Public Finance Regulations of 2004. It has five (5) members, whereby four (4) members are outside the reporting public sector, with one member is the Chairperson to

The Committee appointed by the Permanent Secretary. Also, the Director General had appointed one Officer within the institute to be the secretary to the Audit Committee, as shown in **Table 8** below:

Table 8: Audit Committee Members

S/N	Name	Qualifications	Title	Date of Appointment
1.	Steven Raphael Benedict	Master's in Business Administration and CPA (T)	Chairperson	25/10/2024
2	Dkt. Levin A. Msimbira	PhD in Plant Science	Secretary	1/07/2025
3	Charles Kunyonga Matekele	Master of Science in Accounting and Finance and CPA (T)	Member	01/11/2024
4.	Obadia A. Peter	Masters of Accountancy and Finance (MAF)	Member	01/07/2025
5.	Dkt. Andekelile S. Mwamahonje	PhD in Plant Breeding	Member	01/07/2025
6	Enock L. Karikera	BSc. In Computer Science	Member	01/07/2025

The Audit Committee is required to meet at least four times a year. The heads of Department and Unit are invited to attend the meetings and facilitate the effective control of all the Institute's operational activities.

During the financial year 2024/25, the Audit Committee has sat five (5) planned meetings and discussed, but not limited to, the following key matters:

i. Review and provision of recommendations and directives to Management on Internal Auditors' quarterly progress reports;
ii. Review and recommendations on quarterly Risk Management reports;
iii. Review and recommendations on Internal Controls in a quarterly basis;
iv. Reviewed and provided recommendations on the updated Internal Audit Charter;
v. Conducted entrance and exit meetings with External Auditors for the year 2024/25;
vi. Review and recommendations on Audited Financial Statements and Management letter for the year 2024/25; and
vii. Management to put more effort on the collection of outstanding receivables.

2.15.3 Management Team

The Management of the Institute is led by the Director General, assisted by the Management Team. The Management of the Institute at the date of the report consists of the following members, as shown in **Table 9** below:

Table 9: Management Team

S/N	FULL NAME	POSITION	Qualifications	Date of Appointment
1	Nyasebwa E. Chimagu	Director General	MSc Agricultural Economics, MSc Economics, BSc Agricultural Education	04/06/2025
2	Norah E. Lyimo	Head of Seed Certification	Doctor of Philosophy in Agriculture	01/08/2024
3	Matengia M. Swai	Director of Variety Release and Evaluation	Master's Degree in Agricultural Education and Extension	01/04/2024
4	Stanford J. Chijenga	Director of Corporate Services	Master's Degree in Human Resources and PEHR	01/04/2024
5	Avodi K. Kyoma	Ag. Head of Procurement and Management Unit	Master's in Business Administration and Finance, Corporate Management.	02/09/2025
6	Juma L. Majegelo	Ag. Chief Internal Auditor	Master's in Business Administration and Finance, Corporate Management.	2011
7	Justin A. Katoto	Ag. Head of ICT Unit	Advanced Diploma in Information Technology	01/04/2024
8	Zabia S. Luje	Ag. Head of the Finance and Accounting section	Master's in Business Administration in Finance and Corporate with CPA(T)	02/09/2025
9	Dorah H. Bivugile	Head of DUS and Control Plots Section	Master of Crop Science	01/08/2024
10	Adolf G. Saria	Head of NPT Section	PhD in Crop Science	01/08/2024
11	Samwel E. Masunga	Ag. Head of Planning, Monitoring and Evaluation Section	Bachelor's Degree in Project Planning, Monitoring and Evaluation	2024
12	Nassoro A. Issa	Head of Laboratory Seed Testing Section	MSc. Molecular Biology	Not Appointed
13	Jeofrey W. Mbuba	Head of Human Resource and Administration	MSc. in Business Administration in Management	02/09/2025

2.15.4 Internal Audit Unit

The Institute has a sound internal audit unit which independently and objectively evaluates the organisation's operations. The unit reports functionally to the Internal Auditor General and administratively to the Internal Director General (IAG). It assesses risks and reviews controls using the Risk-Based Approach (RBA). The unit ensures that the Management implements recommendations to improve controls. Its reports are also submitted quarterly to the Internal Auditor General's Office.

2.16 AUDITORS

The Controller and Auditor General is the statutory Auditor of TOSCI by virtue of Article 143 of the Constitution of the United Republic of Tanzania of 1977, Section 9-12 of Public Audit Act, Cap 418, and Section 30 & 31 of the Public Finance Act, Cap 348.

2.17 RESPONSIBILITY OF THE AUDITOR

The Auditor is responsible for providing assurance on the accuracy and consistency of all information in the report, as presented by those charged with governance, with that in the financial statements.

Financial Reporting and Auditing

The Board accepts overall responsibility for the preparation of the annual financial statements, which are presented as at the end of the year under review. The reports include;

i. The financial position
ii. Statement of Financial Performance
iii. Statement of Changes of Net Assets and Equity
iv. The Statement of cash flows
v. Statement of comparison between the budget and the actual.

The responsibility for compiling the annual financial statements is vested in the management, and the Institute complied with all applicable laws of the country of Incorporation. The Institute's external auditors report on whether the annual financial statements are fairly presented.

The Members of the Board are satisfied that during the year under review, the following issues were undertaken effectively;

(a) Adequate accounting records were maintained;
(b) An effective system of internal control and risk management, monitored by management, was maintained;

(c) Appropriate accounting policies, supported by reasonable and prudent judgments and estimates, were used consistently;

(d) The financial statements were compiled in accordance with International Public Sector Accounting Standards and in the manner required by the Tanzanian Public Finance Act No. 6 of 2001 and instructions issued by the Treasury in respect of the year under review; and

(e) The Board are also satisfied that no material event has occurred between the financial year-end and the date of this report which affects the business or has not been reported.

2.18 RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

It is the responsibility of those charged with governance (the Board of Directors) to prepare the Institute's financial statements that present a true and fair view in accordance with applicable standards, rules, regulations, and legal provisions in Tanzania. They are also required to ensure that the Institute maintains proper accounting records that, with reasonable accuracy, disclose the Institute's financial position and performance. The Directors are also responsible for safeguarding the Institute's assets and, accordingly, for taking reasonable steps to prevent and detect fraud, errors, and other irregularities.

Accounting Policies

The accounting policies have been updated to reflect the new and revised accrual-based International Public Sector Accounting Standards (IPSAS).

A summary of key accounting policies is in Note 2 to the Financial Statements and was consistently applied during the year under review.

2.19 POLITICAL AND CHARITABLE DONATION

During the financial year 2024/25, the Institute received no political or charitable donations.

2.20 EMPLOYEES' WELFARE

2.20.1 Management and Employees' Relationship

There was a strong relationship between employees and management, with no unresolved complaints from employees, which indicates a healthy relationship.

The Institute ensures equal opportunity for employees. It provides equal access to employment opportunities and ensures that the best candidate is appointed to any position, free from discrimination of any kind and without regard to factors such as gender, marital status, tribe, religion, or disability that do not impair the ability to perform duties.

2.20.2 Training Expenses

Training programs have been developed and continue to be developed to ensure employees are adequately trained at all levels. The Program focused on enhancing staff skills to improve competitiveness. In implementing the training program, 75 staff members attended various short courses to improve their performance, and 17 are currently enrolled in long-term training. The Institute sponsors all trainings. During the year, the Institute budgeted TZS 210,704,000 (2023/24 TZS 200,770,500) for training and spent TZS 75,099,000 (2023/24 TZS 54,388,000) to improve employees' technical skills.

2.20.3 Medical Assistance

All members of staff are members of the National Health Insurance Services (NHIF). The Institute contributes 3% of the employee's basic salary toward this fund.

2.20.4 Health and Safety

The Institute has robust health and safety measures that ensure a strong culture of safety prevails. A safe working environment is ensured for all employees and contractors by providing appropriate personal protective equipment, training, and supervision, including condoms, firefighting equipment, gum boots, sanitisers, and gloves.

2.20.5 Employees Benefit Plan

The Institute makes mandatory contributions to publicly administered pension plans that qualify as defined contribution plans. Employees are members of the Public Service Social Security Fund (PSSSF). The total number of employees during the year was one hundred and twelve (112). The Institute contributes 15% of each employee's basic salary to the pension fund, and each employee contributes 5%.

2.21 DISABLED PERSON AND GENDER BALANCE

2.21.1 Persons with Physical Disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event that members of staff become disabled, every effort is made to ensure that their employment with the Institute continues and that appropriate training is arranged. It is the policy of the Institute that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees, though during this financial year the Institute has no disabled employees.

2.21.2 Gender Parity

The Institute is an equal opportunity employer that considers gender in staff recruitment and encourages qualified female candidates to apply.

During the year under review, the Institute had 112 employees (2024: 110), with 73% male and 27% female.

2.22 PREDJUDICIAL ISSUES

During the year under review, the Institute had no issues outside its control that prevented it from achieving its objectives.

2.23 RELATED PARTY TRANSACTIONS

During the year under review, the related party transactions include Members of the Board of Directors, the Director General and the Management Team. The total remuneration was TZS 333,505,000 as disclosed in Notes 9 to these financial statements.

2.24 STATEMENT OF COMPLIANCE

The members of the Board of Directors confirm that the preparation and presentation of the report by those charged with governance, and the accompanying financial statements for the year ended 30 June 2025, comply with TFRS 1 and all other relevant statutory legislation applicable to the Institute.

2.25 FIGHT AGAINST CORRUPTION

During the year under review, the Institute conducted anti-corruption training led by Officers from the Preventive and Combating Corruption Bureau (PCCB) to fight corruption. 68 of 112 employees attended the training.

2.26 PUBLICATION OF THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND AUDITED FINANCIAL STATEMENTS

The Institute publishes on its website the report of those charged with governance, alongside audited financial statements, in accordance with NBAA pronouncement No. 1 of 2018.

2.27 APPROVAL OF THE BOARD OF DIRECTORS REPORT

This report has been approved by Those Charged with Governance on 29/01/2026 .... and signed on its behalf by:

....
Dr Lilian F. Shechambo
Chairperson, Board of Directors

....
Nyasebwa E. Chimagu
Director General

SUSTAINABILITY DISCLOSURE REPORT FOR THE YEAR ENDED 30 JUNE 2025

2.28 INTRODUCTION

Following the requirements of International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards (IFRS S1 and S2), issued by the International Sustainability Standards Board (ISSB), the Board of Directors of the Tanzania Official Seed Certification Institute (TOSCI) hereby presents its Sustainability Disclosures Report for the year ended 30 June 2025. This comes after the adoption and implementation of IFRS Sustainability Disclosure Standards in Tanzania, as mandated by Technical Pronouncement number 1 of 2024 issued by the National Board of Accountants and Auditors (NBAA) on 1st July 2024, and the Accounting Circular number 2 of 2024/25, issued by the Permanent Secretary and Paymaster General on 16 May 2025. This report addresses sustainability risks and opportunities associated with climate disclosures.

2.29 CLIMATE-RELATED DISCLOSURE

As per IFRS S2, the objective of climate-related disclosure is to enable the TOSCI to disclose information about its climate-related risks and opportunities that is useful to the primary users of general-purpose financial reports in making decisions regarding the provision of resources to the TOSCI. To realise this, the TOSCI discloses climate-related information under four (4) core content areas, namely Governance, Strategy, Risk Management, and Metrics and Targets, as set out in IFRS S2.

(a) Governance

The objective of climate-related financial disclosures on governance is to enable users of general-purpose financial reports to understand the governance processes, controls and procedures that the TOSCI uses to monitor, manage and oversee climate-related risks and opportunities. As shown in the Report by Those Charged with Governance, the TOSCI's governance structure is organised into the Board of Directors and the Management Team.

(b) Board of Directors

The Board of Directors held ultimate strategic responsibility for TOSCI's long-term success and sustainability, including climate-related risks and opportunities. For the year ended 30 June 2025, the Board held three (3) ordinary meetings. During those meetings, various resolutions, as outlined in a report by the governance body, were adopted that significantly advanced the incorporation of sustainability-related practices, including climate-related risks and opportunities. The Board, through its Audit Committee, reviews quarterly risk management reports, including sustainability and climate-related risks. As shown in the report by those charged with governance, the Board comprises members with diverse qualifications, knowledge, and skills, enabling effective integration of sustainability and climate-related risks and opportunities into TOSCI's risk management framework. Generally, to enhance skills and competencies, the Institute plans to equip Board Members, the Management Team, and Staff with training on Sustainability Reporting and Climate risks and opportunities in the financial year 2025/26.

(c) Management Team

The Management Team of the TOSCI is responsible for the day-to-day operations and activities, including monitoring and management of climate-related risks and opportunities. To ensure effective management, the TOSCI management structure is categorised into three Directorates, five (5) units, and four (4) Zonal Offices. Among such units, the Internal Audit Unit strengthens TOSCI's governance framework by enhancing internal controls, supporting transparent reporting, and providing assurance on the effectiveness of processes for managing sustainability risks and opportunities, including climate-related risks and opportunities. Additionally, the Institute has established and operationalised a planning, monitoring and evaluation section. Among its key functions is monitoring compliance and quality assurance to support TOSCI's long-term sustainability and success.

Furthermore, among the key initiatives under consideration is the formation of a dedicated Sustainability Committee (SC) to coordinate and oversee sustainability matters across the Institute's Directorates, Units, Zones, and Sections. In addition, Management aims to develop and implement the following internal controls and procedures, to enhance the adoption and implementation of IFRS Sustainability Disclosure Standards:

i. integration of the sustainability-related risks into the Institute's risk management framework, by establishing Sustainability Policy and Framework;

ii. Periodic assessments and performance tracking mechanisms to support effective oversight and ensure alignment with emerging disclosure standards (IFRS-S1&S2);

iii. Quarterly sustainability risk assessment reports, which will be reviewed by the Management Team and the Audit Committee;

iv. Expansion of the internal audit plan and coverage to include audits of sustainability-related compliance and performance indicators; and

v. Assigning responsibility for tracking progress against sustainability targets, with structured reporting timelines aligned to Board oversight schedules, to the Planning, Monitoring and Evaluation Section.

Generally, these steps will underscore the Institute's commitment and initiatives to build a resilient, transparent, and accountable governance environment that supports its mandate and contributes to achieving the Sustainable Development Goals (SDGs).

2.29.1 Strategy

The objective of climate-related financial disclosures on strategy is to enable users of general-purpose financial reports to understand the TOSCI's strategy for managing climate-related risks and opportunities. Based on this, the Institute discloses the following climate-related risks and opportunities: Since the Institute falls under the Ministry of Agriculture and its primary functions are directly connected to agricultural activities, the Institute's customers are significantly exposed to climate-related risks and opportunities. This implies that the Institute will utilise climate change as an emerging opportunity. This will be achieved through developing collaborations and research grants, which will in turn strengthen the Institute's financial position, performance, cash flows, and budget.

2.29.2 Risk Management

The objective of climate-related financial disclosures on risk management is to enable users of general-purpose financial reports to understand TOSCI's processes for identifying, assessing, prioritising, and monitoring climate-related risks and opportunities, including whether and how those processes are integrated into and inform TOSCI's overall risk management process. Based on this, TOSCI applies a risk management framework to identify, assess, and monitor risks to its operations, including climate-related risks. The process of identifying risks starts at the directorate, department, unit, and section levels, with risk champions accountable for coordinating risk management at the directorate/departmental/, and unit levels. Additionally, the risk owners at the quarterly meeting are expected to identify new risks, assess and evaluate them, and determine whether they meet the criteria for inclusion in TOSCI's risk management practices.

The Board, through the Audit Committee, is responsible for reviewing and providing guidance on the implementation status of risks, including emerging risks such as climate-related risks. In the financial year 2025/26, the Institute plans to develop the Sustainability Framework and Policy (SFP), which will incorporate climate-related risks and opportunities into its risk management framework. This approach will ensure the climate-related risks are assessed and evaluated in parallel with other TOSCI's risk management practices. In addition, the TOSCI will identify climate-related risk and opportunities through regular strategic reviews, innovation workshops and market analysis. These opportunities include adopting renewable energy and expanding into low-carbon product lines within TOSCI's day-to-day operations. Generally, TOSCI plans to embed climate-related risks and opportunities into its overall risk management framework in the financial year 2025/26.

2.29.3 Metrics and Targets

Climate-related financial disclosures on metrics and targets enable users of general-purpose financial reports to understand the TOSCI's performance regarding its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation. To achieve this, for the year ended 30 June 2025, the TOSCI discloses the following:

(a) Targets set by TOSCI

Although TOSCI began adopting and implementing IFRS Sustainability Disclosure Standards on 1st January 2025, it incorporated various climate-related sustainability practices and targets into its operations, which it was required to meet by law or regulation, and to foster the culture of carbon offsetting. For the year ended 30 June 2025, the following carbon offsetting activities were implemented by TOSCI:

i. Adoption of Digital systems, various regulations and frameworks

To minimise carbon emissions during the financial year ended 30 June 2025, the TOSCI reduced reliance on paper-based reporting and communication by adopting digital systems, including NeST, e-Office, HCMIS, and MUSE. Also, during the financial year under review, TOSCI complied with various laws and regulations related to the TOSCI's mandate and functions including Public Finance Laws and Regulations, the Public Procurement Act, 2024, National ICT Policy, 2016, Environmental Management Act, 2004, and Sustainable Public Procurement Framework, 2024, to ensure the sustainability and success of the Institute.

ii. Greenhouse gas emissions

The TOSCI's carbon footprint encompasses emissions from various emission sources. The TOSCI accounts for emissions from sources owned by the Institute, such as motor vehicles and generators (Scope 1), particularly diesel. The TOSCI also accounts for purchased energy, in particular electricity purchased from TANESCO (Scope 2). In addition, the TOSCI will start accounting for Scope 3 emissions, in particular official travel and employee commuting, and will disclose them in the financial year 2025/26. The TOSCI uses emission factors as recommended by the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories, Volume 2: Energy, Chapters 1 and 2 (2006). As shown in Table 1, the TOSCI discloses its absolute gross greenhouse gas emissions for the reporting period, expressed in metric tons of CO2e, classified as Scope 1, 2, and 3. As indicated in Table 1, the total carbon footprint for the TOSCI for the year ended 30 June 2025 was 264,828.70 kgCO2e, as shown in **Table 10** below:

Table 10: Greenhouse gas emissions for the year ended 30 June 2025

Emission Sources	Activity Data	Emission Factor	Carbon Footprint
Scope 1: Emission Sources owned/controlled by the Institute	Fuel Consumption (Litres)	Emission Factor ($KgCO_2e$)	Kg CO_2e
Diesel	92,955.47	2.68 $kgCO_2e$ per litre	249,120.66
Sub-totals	92,955.47	2.68 $kgCO_2e$ per litre	249,120.66
Scope 2: Purchased Energy	Electricity Consumption (KWH)	Emission Factor (Kg CO_2e/KWH)	
Electricity	47,744.8	0.329$kgCO_2e$ per KWH	15,708.04
Sub-totals	**47,744.8**	**0.329$kgCO_2e$ per KWH**	**15,708.04**
GRAND TOTAL			**264,828.70**

(b) Other Disclosures on Metrics and Targets

As required by IFRS S2, the TOSCI discloses that remuneration of the Board of Directors and Management Team is not factored with climate-related considerations. Therefore, as disclosed in the related party transactions, executive management remuneration for the year ended 30 June 2025 is not linked to climate-related considerations.

2.30 STATEMENT OF COMPLIANCE

This report complies with IFRS Sustainability Disclosure Standards as issued by the ISSB.

2.31 AUTHORIZATION AND APPROVAL

This report has been authorised for submission and issue by the Board of Directors, and signed on its behalf by:

....

Dr. Lilian F. Shechambo
Chairperson, Board of Directors

Nyasebwa E. Chimagu
Director General

3 STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE 2025

Section 30(4) of the Public Finance Act, Cap 348 requires Management to prepare financial statements for each financial year, which give a true and fair view of receipts and payments of the reporting entity as at the end of the financial year. It also requires Management to ensure the reporting entity keeps proper accounting records that, at any time, disclose the reporting entity's financial position with reasonable accuracy. Management is also responsible for safeguarding the reporting entity's assets.

The Management accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the Accrual Basis; International Public Sector Accounting Standard (IPSAS): Financial Reporting under the Accrual Basis of Accounting, and in the manner required by the Section 30 (4) of the Public Finance Act, Cap 348.

Procurement of goods, works, consultancy, and non-consultancy services to the extent that they are reflected in these financial statements has been done in accordance with the Public Procurement Act of 2023 and its Regulations of 2024. Nothing has come to the attention of the Management to indicate that the Tanzania Official Seed Certification Institute will not remain a going concern for at least the next twelve months from the date of this statement.

To the best of our knowledge, the internal control system has operated effectively throughout the reporting period, and the records and underlying accounts provide a reasonable basis for preparing the Financial Statements for Financial Year 2024/25. TOSCI Management accepts responsibility for the integrity of the Financial Statements, the information it contains, and its compliance with the Public Finance Act, Cap 348 and instructions from the Treasury.

The Management is of the opinion that the financial statements give a true and fair view of the state of financial affairs of the reporting entity. The Management accepts responsibility for maintaining accounting records that may be relied upon in the preparation of financial statements, as well as for adequate systems of internal financial control. Management is responsible for safeguarding the assets of the reporting entity and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

....

Nyasebwa E. Chimagu

DIRECTOR GENERAL

4 DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTS OF TANZANIA OFFICIAL SEED CERTIFICATION INSTITUTE (TOSCI)

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

It is the duty of a Professional Accountant to assist the Board of Directors and Management to discharge the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's position and performance in accordance with International Public Sector Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of the financial statements rests with the Board of Directors, as set out in its responsibility statement on earlier pages.

I, **CPA(T) Zabia S. Luje**, being the Head of Finance and Accounts Section of Tanzania Official Seed Certification Institute (TOSCI), hereby acknowledge my responsibility of ensuring that the Institute's financial statements for the year ended 30 June 2025 have been prepared in compliance with applicable accounting standards and statutory requirements.

I therefore confirm that the financial statements present a true and fair view of the position of the Tanzania Official Seed Certification Institute (TOSCI) as at that date and that they have been prepared from properly maintained financial records.

Signed by: ....Bluje....

Position: Head of Finance and Accounts Section

NBAA Membership No.: ACPA 3884

Date: 29/01/2026

5.0 COMMENTARY ON THE FINANCIAL STATEMENT AS AT 30 JUNE 2025

5.1 REVENUE

5.1.1 Government Subventions - Personal Emoluments

During the financial year 2024/25, the Institute received Personal Emoluments, including staff salaries. The amount received increased by TZS 269,578,166.71 (15%) from TZS 1,738,694,833.29 in the financial year 2023/24 to TZS 2,008,273,000 in the financial year 2024/25. The increase is due to annual salary increases, staff promotions, the appointment of a Substantive Post, and the recruitment of new staff.

5.1.2 Donor Funds

During the financial year 2024/25, the Institute received TZS 3,038,566,071.93. The amount received increased by TZS 2,928,018,613.56 (244% increase) from TZS 110,547,458.37 in the financial year 2023/24. The increase is due to the management's deliberate effort to follow up on donor funds releases resulting from TFSRP and TAISP. Further in the year under review, the fund was released for two new projects, namely AGRA and PROSSIVA, at the end of the financial year 2024/25.

5.1.3 Seed Certification Fees

During the financial year 2024/25, the Institute collected its own-source revenue TZS 8,671,603,338. The amount increased by TZS 2,733,764,828.11 (46%) to TZS 5,937,838,509.89 in the financial year 2023/24. The increase is driven by rising demand for Seed labels, spurred by sensitisation to the use of certified seed through frequent post-harvest seed inspections and media advertising.

5.1.4 Provision for Expected Credit Loss - Long Term (Receivable)

During the Financial year 2024/25, there was a Fair value gain on the accounts receivable and cash of TZS 97,462,821 raised by the reversal of provision of Impairment of accounts receivable caused by the decrease of the provision of expected credit loss from TZS 814,719,306.86 in the financial year 2023/24 to TZS 717,256,485.86 in the financial year 2024/25.

5.1.5 Provision for Expected Credit Loss - Cash

During the Financial year 2024/25, there was expected credit loss on the cash and cash equivalents of TZS 2,194,339.40, raised by the increase in Provision for Expected Credit to 25,262,424.90 in 2024/25 from TZS 23,068,085.50 in 2023/24.

5.2 EXPENSES

5.2.1 Wages, Salaries and Employee Benefits

Wages, Salaries and Employee Benefits expenses have increased by TZS 500,751,212.71 (24%) from TZS 2,132,684,104.88 in the financial year 2023/24 to TZS 2,633,435,317.59 in the financial year 2024/25. The variance is due to increases in annual salary increments, staff promotions, the appointment of a Substantive Post, and the recruitment of new staff.

5.2.2 Use of Goods and Services

Uses of Goods and Services have increased by TZS 15,782,470,412.37 (331%) from TZS 4,760,876,723.10 in the financial year 2023/24 to TZS 20,543,347,135.47 in the financial year 2024/25. The variance is due to increases in advertising and publication costs, electricity expenses, ground travel expenses, food and refreshments costs, and seed subsidies expenses, all of which were raised by training on maize seed subsidies, printing of seed labels, and expenses incurred during the year under review.

5.2.3 Maintenance Expenses

During the Financial year 2024/25, maintenance expenses increased by TZS 117,635,517.46 (51%) from TZS 232,483,731.57 in the financial year 2023/24 to TZS 350,119,249.03 in the financial year 2024/25. The variance is due to an increase in motor vehicle services and the installation of internet facilities in a new building (Genetic Reference Library).

5.2.4 Other Expenses

These expenses include Audit Fees, Bank Charges and Commissions, Burial Expenses, Consultancy Fees, Directors' Fees, Parasternal Rehabilitation, and Sundry Expenses. During the year under review, other expenses were TZS 357,955,987.85, compared to TZS 343,459,662.31 in 2023/24, an increase of TZS 14,496,325.54 (4%), driven by higher Board of Directors fees and contributions to the Government.

5.2.5 Depreciation expenses

Depreciation expenses have increased by TZS 42,124,783.63 (equivalent to 24%) from TZS 173,117,130.74 in the financial year 2023/24 to TZS 215,241,914.37 for the financial year 2024/25. The increase was due to additional assets purchased at the end of the 2023/24 and 2024/25 financial years.

5.2.6 Contributions to the Consolidated Funds

The institute budgeted TZS 170,000,000 but contributed TZS 75,000,000 to the Consolidated Funds during the year, an increase of TZS 25,000,000 (50%) from TZS 50,000,000 in the financial year 2023/24. The increase was caused by a rise in own-source revenue in 2024/25.

5.2.7 Foreign currency translations

The exchange loss reported for the 2024/25 financial year amounted to 2,476,650.06, arising from applying different exchange rates to translate the USD balance held in the USD BoT Collection Account.

5.3 ASSETS

5.3.1 Cash and Cash Equivalents

Cash and Cash Equivalents increased by TZS 136,938,881.41 (7%) from TZS 1,771,677,797.30 in the financial year 2023/24 to TZS 1,908,616,678.71 in the financial year 2024/25 due to the delay in the disbursement of AGRA funds, which were disbursed on 30 June 2025.

5.3.2 Prepayments

Prepayments increased by TZS 424,588,608.35 (equivalent to 377%) from TZS 29,758,155.00 in 2023/24 to TZS 454,346,763.35 in 2024/25. This was due to the prepayment on motor vehicles.

5.3.3 Receivables

Receivables include receivables from exchange transactions (Own-source revenue). During the year under review, receivables amounted to TZS 717,256,485.86, compared with TZS 814,719,306.86 in the previous year, 2023/24. TZS decreased the receivables. 97,462,821.00 (12%) due to payment of outstanding receivables.

5.3.4 Inventories

Inventories include supplies and Consumables not used at the end of the financial year 2024/25. The inventories for 2024/25 were TZS 391,323,535.60, an increase of TZS 163,395,810.40 (72%) from TZS 227,927,725.20 in 2023/24. The increase resulted from the remaining TOSCI labels procured at the end of the financial year 2024/25.

5.3.5 Property, Plant and Equipment (PPE)

Property, Plant and Equipment comprises Land, Buildings, Plant and Machinery, Motor Vehicles, Furniture and Fittings and Equipment. The carrying value of property, plant and equipment at the end of the year 2024/25 was TZS 4,088,602,526.85 compared to TZS 3,674,940,670.83 in the prior year. The value of Property, Plant, and Equipment in 2024/25 increased by TZS 413,661,856.02 (11%) due to the addition of new assets.

5.3.6 Work in Progress

During the year under review, the Institute completed work in progress for the expansion of the National Seed Laboratory at the Headquarters, Morogoro, valued at TZS 489,862,597.58.

5.3.7 Intangible Assets

The Institute has acquired Computer Software named TOSCI Online Application Services through Donor Funds (AGRA), which has recognised as an intangible Asset and measured initially at the cost of TZS 226,555,780.00.

5.4 LIABILITIES

5.4.1 Development Deferred Income

During the year under review, the Development Deferred Income amounted TZS 1,696,127,351.85, including funds for AFDP, TFSRP, AGRA, and PROSIVA. This amount increased by TZS 118,790,402.58, equivalent to 7%, from TZS 1,577,336,949.27 in the FY 2023/24. The reasons for non-spending of funds were, delays in disbursing funds for TFSRP, AGRA, and PROSIVA, which were disbursed at the end of June 2025, and the failure to complete construction of the building at the Headquarters.

5.4.2 Payables and Accruals

Payables and accruals have increased by TZS 12,100,078,494.01 from TZS 80,585,055.80 in the FY 2023/24 to TZS 12,180,663,549.82 for the FY 2024/25 due to an increase in Staff claims, Supplier debts, and Unapplied Deposit Account. This increase was largely due to seed subsidies provided to farmers during the financial year 2024/25, amounting to TZS 11,971,291,500.00 and still unpaid at the end of the year.

5.5 DEFICIT

The Statement of Financial Performance shows a deficit of TZS 10,363,865,362.85 from the surplus of TZS 239,616,355.82 recorded during the financial year 2023/24. This deficit was attributed to seed subsidies provided by the Government during the financial year 2024/25, totalling TZS 11,971,291,500.00, which remained unpaid.

6.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	2024/25 TZS	2023/24 TZS
ASSETS			
Current Asset			
Cash and Cash Equivalents	20	1,908,616,678.71	1,771,677,797.30
Inventories	23	391,323,535.60	227,927,725.20
Prepayments	22	454,346,763.35	29,758,155.00
Total Current Asset		**2,754,286,977.66**	**2,029,363,677.50**
Non-Current Asset			
Property, Plant and Equipment	39	4,088,602,526.85	3,674,940,670.83
Work in Progress (WIP)	10	489,862,597.58	0.00
Intangible Asset	11	226,555,780.00	0.00
Total Non-Current Asset		**4,805,020,904.43**	**3,674,940,670.83**
TOTAL ASSETS		**7,559,307,882.09**	**5,704,304,348.33**
LIABILITIES			
Current Liabilities			
Development Deferred Income (Revenue)	26	1,696,127,351.85	1,577,336,949.27
Payables and Accruals	24	12,180,663,549.82	80,585,055.80
Total Current Liabilities		**13,876,790,901.67**	**1,657,922,005.07**
Non-Current Liabilities			
TOTAL LIABILITIES		**13,876,790,901.67**	**1,657,922,005.07**
Net Assets		**(6,317,483,019.59)**	**4,046,382,343.26**
NET ASSETS/EQUITY			
Capital Contributed by:			
Taxpayers/Share Capital		3,319,062,320.92	3,319,062,320.92
Accumulated Surpluses / Deficits		(9,636,545,340.51)	727,320,022.34
Total Net Asset/ Equity		**(6,317,483,019.59)**	**4,046,382,343.26**

Dr. Lilian F. Shechambo
Chairperson, Board of Directors

Date 29/01/2026

Nyasebwa E. Chimagu
Director General

Date 29/01/2026

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
TANZANIA OFFICIAL SEED CERTIFICATION INSTITUTE (TOSCI)

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Note	2024/25 TZS	2023/24 TZS
REVENUE			
Revenue from Exchange Transactions			
Seed Certification fees	12	8,671,603,338.00	5,937,838,509.89
Revenue from non-Exchange Transactions			
Amortisation of Revenue Grants with Exchequer Revenue	13	2,008,273,000.00	1,738,694,833.29
Donor Fund	14	3,038,566,071.93	110,547,458.37
Fair value gain on assets and liabilities			
Reversal of ECL of Receivables	29	97,462,821.00	191,919,343.00
TOTAL REVENUE		**13,815,905,230.93**	**7,979,000,144.55**
EXPENSES AND TRANSFERS			
Expenses			
Wages, Salaries and Employee Benefits	15	2,633,435,317.59	2,132,684,104.88
Use of Goods and Service	16	20,543,347,135.47	4,760,876,723.10
Maintenance Expenses	17	350,119,249.03	232,483,731.57
Other Expenses	18	357,955,987.85	343,459,662.31
Depreciation of Property, Plant and Equipment	27	215,241,914.37	173,117,130.74
Impairment of Non-Current Assets	28	0.00	31,515,362.72
Expected Credit Loss	38	2,194,339.40	15,247,073.41
Loss on foreign currency change	40	2,476,650.06	0.00
Total Expenses		**24,104,770,593.77**	**7,689,383,788.73**
Transfer			
Grants other Transfer Payments	19	75,000,000.00	50,000,000.00
Total Transfer		**75,000,000.00**	**50,000,000.00**
TOTAL EXPENSES AND TRANSFERS		**24,179,770,593.77**	**7,739,383,788.73**
Surplus /(Deficit) for the year		**(10,363,865,362.85)**	**239,616,355.82**

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Dr. Lilian F. Shechambo
Chairperson, Board of Directors

Date 29/01/2026

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Nyasebwa E. Chimagu
Director General

Date 29/01/2026

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
TANZANIA OFFICIAL SEED CERTIFICATION INSTITUTE (TOSCI)

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 2025

	Tax Payer's Fund	Accum. Surplus/(Deficit)	Total
	TZS	TZS	TZS
Opening Balance as at 01 Jul 2024	3,319,062,320.92	727,320,022.34	4,046,382,343.26
Surplus/(Deficit) for the Year	0.00	(10,363,865,362.85)	(10,363,865,362.85)
Closing Balance as at 30 Jun 2025	**3,319,062,320.92**	**(9,636,545,340.51)**	**(6,317,483,019.59)**
Opening Balance as at 01 Jul 2023	3,319,062,320.92	487,703,666.52	3,806,765,987.44
Surplus/(Deficit) for the Year	0.00	239,616,355.82	239,616,355.82
Closing Balance as at 30 Jun 2024	**3,319,062,320.92**	**727,320,022.34**	**4,046,382,343.26**

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Dr. Lilian F. Shechambo
Chairperson, Board of Directors

....
Nyasebwa E. Chimagu
Director General

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
TANZANIA OFFICIAL SEED CERTIFICATION INSTITUTE (TOSCI)

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2024/25 TZS	2023/24 TZS
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Funds Received	31	4,574,032,417.49	3,106,987,654.34
Certification fees	32	8,769,066,159.00	6,129,757,852.89
Total Receipts		**13,343,098,576.49**	**9,236,745,507.23**
PAYMENTS			
Wages, Salaries, and Employee Benefits	33	2,530,336,817.59	2,306,712,144.88
Supplies and Consumables Used	34	8,718,434,548.12	4,864,334,676.00
Other Expenses	36	357,955,987.85	343,459,662.31
Maintenance Expenses	35	350,119,249.03	232,483,731.57
Grants, Subsidies, and Other Transfer Payments	19	75,000,000.00	50,000,000.00
Total Payments		**12,031,846,602.59**	**7,796,990,214.76**
NET CASH FLOW FROM OPERATING ACTIVITIES		1,311,251,973.90	1,439,755,292.47
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant and Equipment	37	(1,169,642,103.47)	(38,864,751.20)
NET CASH FLOW FROM INVESTING ACTIVITIES		**(1,169,642,103.47)**	**(38,864,751.20)**
CASH FLOW FROM FINANCING ACTIVITIES			
NET CASH FLOW FROM FINANCING ACTIVITIES		0.00	0.00
Net Increase/(Decrease) in Cash and Cash Equivalent		**141,609,870.43**	**1,400,890,541.27**
Effects of foreign currency changes		(2,476,650.05)	0.00
Cash and cash equivalents at the beginning of the period		1,794,745,883.23	393,855,341.96
Cash and cash equivalents at the end of the period		**1,933,879,103.61**	**1,794,745,883.23**

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Dr. Lilian F. Shechambo
Chairperson, Board of Directors
Date 29/01/2026

....
Nyasebwa E. Chimagu
Director General
Date 29/01/2026

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
TANZANIA OFFICIAL SEED CERTIFICATION INSTITUTE (TOSCI)

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2025

Details	Original Budget	Final Budget (B)	Actual Amount on Comparison Basis (A)	Different Final Budget & Actual (B-A)
	TZS	TZS	TZS	TZS
RECEIPTS				
Government Subvention	8,434,874,057.00	8,434,874,057.00	4,574,032,417.49	3,860,841,639.51
Seed certification fees	12,410,180,000.00	12,410,180,000.00	8,769,066,159.00	3,641,113,841.00
Total Receipts	**20,845,054,057.00**	**20,845,054,057.00**	**13,343,098,576.49**	**7,501,955,480.51**
PAYMENTS				
Wages, Salaries, and Employee Benefits	3,451,569,099.00	3,451,569,099.00	2,530,336,817.59	921,232,281.41
Supplies and Consumables Used	10,830,866,660.00	10,830,866,660.00	8,718,434,548.12	2,112,432,111.88
Other Expenses	546,832,612.00	546,832,612.00	357,955,987.85	188,876,624.15
Maintenance Expenses	3,722,939,586.00	3,722,939,586.00	350,119,249.03	3,372,820,336.97
Acquisition of Property, Plant and Equipment	2,122,846,100.00	2,122,846,100.00	1,169,642,103.47	953,203,996.53
Grants, Subsidies, and Other Transfer Payments	170,000,000.00	170,000,000.00	75,000,000.00	95,000,000.00
Total Payment	**20,845,054,057.00**	**20,845,054,057.00**	**13,201,488,706.06**	**7,643,565,350.94**
Net Receipts/Payments	-		**141,609,870.43**	**-141,609,870**

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Dr. Lilian F. Shechambo
Chairperson, Board of Directors
Date 29/01/2026

....
Nyasebwa E. Chimagu
Director General
Date 29/01/2026

EXPLANATION FOR VARIANCES ON STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

1. Revenue from exchange transactions

The variance between the budgeted and actual amounts of TZS 3,641,113,841.00 was due to forecast revenue from Seed field Inspection fees and from TOSCI Labels for seed/seedlings/cuttings of tree, fruit, and sugarcane crops, which were not fully realised.

2. Government subvention

The variance between the budgeted and actual amounts of TZS 3,863,318,289.56 was caused by the non-disbursement of donor funds for the AFDP and TFSRP programs.

3. Wages, Salaries, and Employee Benefits

The variance between the budgeted and actual amounts for TZS 921,232,281.41 was caused by forecast revenue from Seed field Inspection fees and from TOSCI Labels for seed/seedlings/cuttings of tree, fruit, and sugarcane crops, as well as by salaries for new employees.

4. Acquisition of Property, Plant and Equipment

The variance between the budgeted and actual amounts of TZS 953,203,996.52 was caused by the non-disbursement of Donor Funds (AFDP).

5. Grants, Subsidies, and Other Transfer Payments

This comprises Contributions to the Consolidated Funds, which were budgeted at TZS 170,000,000.00, but the Institute contributed TZS 75,000,000. The variance between the budgeted and actual amounts was TZS 95,000,000 driven by a funding shortfall.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1. REPORTING ENTITY's INFORMATION

Tanzania Official Seed Certification Institute (TOSCI) is a government institute under the Ministry of Agriculture, established by the Seed Act No. 18 of 2003. TOSCI is an official regulator in seed quality control and certification.

The development objective of TOSCI is to contribute to national food security by ensuring the availability of quality seed of improved varieties to farming communities.

This development objective will be achieved by creating a greater public awareness, offering timely field inspection, seed sampling and analysis, verification of new varieties for release to customers through attracting, motivating, and retaining qualified professional staff in areas of seed technology and biological sciences, enforcing the Seed Act 2003, and promoting self-compliance by stakeholders.

Currently, the Institute has five centres: Morogoro (headquarters), Arusha, Njombe, Mwanza, and Mtwara, which are Zonal Offices.

PRINCIPAL PLACE OF BUSINESS Tanzania Official Seed Certification Institute, SUA Main Campus, P. O. Box 1056, MOROGORO-TANZANIA	**BANKERS** Bank of Tanzania (BoT), P.O. Box 2939, **DAR ES SALAAM - TANZANIA** CRDB Bank PLC (T) Limited, P.O. Box 268 **MOROGORO - TANZANIA**	**LAWYERS,** Attorney General, P.O. BOX 9050, **DAR ES SALAAM-TANZANIA**
The Manager, NMB Wami, P.O Box 2182, **MOROGORO - TANZANIA**	**DIRECTOR GENERAL** Nyasebwa E. Chimagu, P. O. Box 2015, **MOROGORO-TANZANIA**	**EXTERNAL AUDITORS,** The Controller and Auditor General, The National Audit Office, P.O Box 950, **DODOMA-TANZANIA**

2. STATEMENT OF COMPLIANCE

These financial Statements of the government reporting entity comply with the Generally Accepted Accounting Practice (GAAP) as defined in the Public Finance Act, Cap 348 Section 30(1), and have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) on an Accrual Basis.

3. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) - Accrual basis. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies. The financial statements are presented in Tanzania Shillings (TZS).

4. AUTHORIZATION DATE

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

The Financial Statements are for the Tanzania Official Seed Certification Institute.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied across all years presented, unless otherwise stated. The accounting policies adopted, which are consistent with those of previous years, are shown below;

i. Functional and presentation currency

Items included in the financial statements of the Entity are measured using the primary economic environment in which it operates. The functional currency is the Tanzanian shilling (TZS) and the presentation currency is the Tanzanian shilling. Thus, these financial statements are presented in Tanzanian Shillings (TZS).

Translation of transactions in foreign currency

Foreign currency transactions have been translated into Tanzanian Shillings at the prevailing exchange rates on the transaction dates. Either gains or losses occur due to the exchange rate fluctuations that have been incorporated in the statement of financial performance.

ii. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position and statement of cash flows comprised the net cash at the bank for recurrent expenditure and development expenditure only.

Employment benefits

Employee benefits include salaries, gratuities, and health insurance for local staff, as well as other related employment costs, which are recognised on the date of occurrence.

iii. Revenue

Revenue recognition

The Institute recognises revenue when the amount of revenue can be reliably measured, future economic benefits will probably flow to the entity, and specific criteria for each of the Institute's activities have been met, as described below.

The amount is not reliably measurable until all contingencies related to the sale are resolved. The Institute bases its estimates on historical results, taking into consideration the type of customer, the type of transaction, and the specifics of each arrangement.

Revenue from non-exchange transactions

Government subsidies and grants

Revenues from non-exchange transactions with the government are measured at fair value and recognised on obtaining control of the asset (cash, goods, services, and Property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Institute and can be measured reliably.

Government grants are not recognised until there is reasonable assurance that the Institute will comply with the conditions attached to them and that the grants will be received.

Government grants whose primary condition is that the Institute should purchase, construct, or otherwise acquire non-current assets are recognised as capital grants (deferred income) in the statement of financial position and amortised, transferred to Financial Performance when utilised.

Other government grants without conditions are recognised as revenue over the periods to which they relate and are credited directly to the Statement of Financial Performance. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Institute with no future related costs are recognised in surplus or deficit in the period in which they become receivable

Donor Funds

Donor Funds are funds received by the Institute from development partners to finance operating expenses and development projects during the year. Revenue is recognised upon receipt of the funds and when the conditions are met.

During the year under review the Institute received revenue in the form of non-monetary assets PPE (Equipment) of TZS 369,276,629.00 from TAISP and Intangible asset of TZS 226,555,780.00 from AGRA.

Revenue from exchange transactions

Revenue is recognised to the extent that the economic benefits will probably flow to the Institute and the revenue can be reliably measured.

Revenue is reduced for estimated customer returns, rebates, and other similar allowances. The following specific recognition criteria must also be met before revenue is recognised:

Seed Certification fees

Revenue is recognised from rendering of service with reference to the stage of completion of the transaction at the reporting date, provided the outcome of the transaction can be estimated reliably. If the result of the transaction cannot be estimated reliably, revenue must be recognised only to the extent of the expenses recognised that are recoverable.

Seed Certification fees include Seed Importation and Exportation Permit fees, National Performance trial fee, DUS tests fee, Seed field inspections fees, Seed Testing fee, Label charges, and Seed Dealer training fee. Revenue is recognised when services are rendered to the customer and invoiced.

iv. Property, Plant and Equipment (Physical Assets/Fixed Assets)

Property, plant, and equipment principally comprise land, buildings, vehicles, Laboratory equipment, and furniture and fixtures. If an asset has a cost of TZS 100,000 or above, the Entity classifies it as property, plant, and equipment unless it is expensed in a particular financial year.

Measurements

An item of property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation, and impairment loss. Such costs include major repairs and replacement parts.

v. Depreciation of Assets

The Entity has adopted the straight-line method for depreciation of its assets on the basis that the service provided is consistent throughout and that this results in a constant depreciation charge over the useful lives of the assets, which is recognised in the surplus or deficit of the statement of financial performance. However, depreciation on newly acquired assets is charged only after one year.

The residual values and useful lives of property, plant, and equipment are reviewed and adjusted if appropriate. This is in accordance with the directives of Accounting Circular No. 6, with reference No. EG.3/102/02/03 dated 28/05/2019 on the Preparation of Financial. Reports and Disclosure. Also, through the Government's decision to use the Cost Model to charge depreciation on its assets by extending their expected useful lives in accordance with IPSAS 17, para. 67. The Entity consistently applies the useful lives listed below in calculating depreciation effectively from the financial year 2021/22. Economic Useful Life (EUL) as shown in Table 11 below:

Table 11.0: Useful Life of Assets

Description	Years
Buildings	
• Residential	50
• Office	50
Plant and machinery	15
Furniture, fixture, and equipment	10
Motor vehicles	10
Motor cycle	7
Computer hardware	8
TOSCI Online Application Services System (TOAS)	∞

Derecognition

An item of property, plant, and equipment is removed by the Entity from the financial statements when no future service potential is expected from its use.

Impairment of Non-Current Assets

The asset shall be regarded as being impaired when the carrying amount of an asset is greater than its Recoverable Value. In other words, a particular asset is no longer capable of providing the entity with the intended service potential. The Accounting Officer shall conduct a test for impairment on an annual basis. Non-cash-generating and non-financial assets were assessed at the reporting date and were found not to be impaired.

vi. Intangible Assets

Initial Recognition and Measurement of Intangible Assets

An intangible asset is measured initially at cost, and when an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition shall be measured at its fair value as at that date, and shall be recognised initially when and only when: -

a) It is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and

b) The cost or fair value of the asset can be measured reliably.

Where an intangible asset is acquired at no cost (as a gift, contribution, or donation) or for a nominal fee, the fair value of the asset as at the date of acquisition is used, intangible assets in the Institute are mostly software and should be presented net of accumulated amortisation in the financial statements.

Initial Recognition and Measurement of Internally Generated Intangible Assets

The internally generated intangible asset is measured initially at cost and shall be recognised initially when and only when the asset is under development and all of the following conditions can be demonstrated: -

i. technical feasibility;
ii. Intention to complete the asset and use or sell it;
iii. Ability to use or sell the asset;
iv. How the asset will generate probable future economic benefits;
v. Availability of resources, e.g., technical and financial, to complete; and
vi. Ability to measure expenditure on the asset reliably.

Subsequent Recognition and Measurement of Intangible Assets

The Institute's accounting policy is that intangible assets shall be carried at historical cost, less accumulated amortisation and any impairment losses, in accordance with IPSAS 31.

Amortisation of Intangible Assets

The depreciable amount of an intangible asset with a finite useful life is allocated on a systematic basis over its useful life. On the other hand, an intangible asset with an indefinite useful life will not be amortised. Amortisation shall begin when the asset is available for use, i.e., when it is in the location and condition necessary for it to operate as intended by management. Amortisation shall cease at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with the relevant international or national accounting standard dealing with noncurrent assets held for sale and discontinued operations, and the date that the asset is derecognised. The amortisation method used shall reflect the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the Institute. If that pattern cannot be determined reliably (which is expected in most cases), the straight-line method shall be used. The amortisation charge for each period shall be recognised as a surplus or a deficit, unless IPSAS 31 or another standard permits or requires it to be included in the carrying amount of another asset.

Derecognition and Disposals of Intangible Assets

The Institute shall derecognise an intangible asset:
(i) On disposal (including disposal through a non-exchange transaction); or
(ii) When no future economic benefits or service potential are expected from its use or disposal.

Gain or Loss on Derecognition of Intangible Assets

The gain or loss arising from the derecognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It shall be recognised as a surplus or a deficit when the asset is derecognised, unless IPSAS 43 requires otherwise in a sale-and-leaseback.

vi. Financial Assets

Initial and Subsequent Measurement

Financial assets are initially measured at fair value and subsequently measured as per the following criteria:

i. The management model within which the Financial Asset is held.
ii. The characteristics of contractual cash flows are solely payments of Principal and Interest.

Classification of Financial Assets

Classification is based on the criteria mentioned above; as a result, the following classes of financial instruments arise, namely;

i. Financial assets at Amortised Cost,
ii. Financial asset at Fair Value through Net asset/ Equity, and
iii. Financial asset at Fair Value through Surplus or Deficit.

Financial Assets at Amortised cost

Financial Assets are subsequently measured at Amortised Cost if both of the following conditions are met;

1. The financial asset is held within a management model whose objective is to hold financial assets to collect contractual cash flow and
2. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

This includes CASH AND CASH EQUIVALENT

Financial Assets at Fair Value through Net Assets/Equity

Financial assets are subsequently measured at fair value through net assets or equity if both of the following conditions are met;

1. The financial asset is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
2. The contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Surplus/Deficit

Financial Assets are subsequently measured at Fair Value through Surplus/Deficit unless they are measured at amortised cost or at fair value through net assets/equity, based on the conditions mentioned above.

Impairment of financial assets

The impairment of financial assets is calculated using the expected credit losses model. The Entity recognises loss allowances {Expected Credit Losses (ECL)} on all financial assets except those that are measured at FVTSD and credit-impaired financial assets. The Entity uses the ECL approach to determine the impairment of Cash and Cash Equivalents and Receivables. A loss allowance is calculated at each reporting date; however, the ECL model is updated annually to account for any event that could significantly increase credit risk on financial assets. The term 'expected credit loss' does not imply that losses are anticipated, but rather that there is recognition of the potential risk of loss. Determining whether an expected credit loss should be measured using 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in the financial asset's credit risk since initial recognition.

Loss allowances for ECL are presented in the statement of financial position as follows: Financial assets measured at amortised cost, as a deduction from the gross carrying amount of the assets.

Inputs into the measurement of ECLs

The key inputs to measuring ECLs are the discounted products of the probability of default (PD), loss given default (LGD), and exposure at default (EAD).
The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

EAD is based on the amounts the Entity expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). Loss Given Default (LGD) represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by counterparty type, claim type, and seniority, and the availability of collateral or other credit support. LGD is expressed as the percentage loss per unit of exposure at default (EAD).

LGD is calculated on a 12-month or lifetime basis: 12-month LGD is the percentage of loss expected if the default occurs in the next 12 months, and Lifetime LGD is the percentage of loss expected if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD, and EAD for each future month and for each exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e., the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, discounts it back to the reporting date, and sums the results. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof. The Lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile examines how defaults develop in a portfolio from initial recognition through the life of the loans. The maturity profile is based on historical data and is assumed to be the same across all assets within a portfolio and credit-grade band.

Analysis for Cash and Cash Equivalents (ECL) Computation

Cash and cash equivalents maintained at Commercial bank at the year-end subjected to expected credit loss computation as follow:
The Institute operates with the Bank of Tanzania, CRDB Bank and NMB Bank. At the end of year CRDB Bank balance was 1,169,556,708.32
Calculation of ECL for Cash and Cash Equivalent
Cash at CRDB bank is TZS 1,169,556,708.32
CRDB Bank is rated at = (PD = 2.16%)
ECL= PD x EAD x LGD
LGD =100%
ECL=2.16% X 1,169,556,708.32X 100% = TZS 25,262,424.90

ECL for Account Receivable
Since aging analysis of receivable are more than 36 months all debts are subjected to 100% default rate as per IPSAS 41. The provision for ECL would continue to change due to debts recovery during the year. The Institutes has not record new debts for three-year consecutive which gave a sign of recovery of debts although it has been subjected to 100% ECL. Note 46 show computation of Expected Credit Loss for the year under audit.

Derecognition of financial assets

The Entity derecognises a financial asset when:
a) The contractual rights to the cash flows from the financial asset expire; or
b) It transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- The Entity neither transfers nor retains all of the risks and rewards of ownership substantially, and it does not retain control of the financial asset.

When The Entity enters into transactions in which it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of those assets. In these cases, the transferred assets are not derecognised.

vii. Financial liabilities

Recognition

Financial liabilities are recognised when the Entity has a contractual obligation to deliver cash in exchange for goods or services received.

Measurement

Financial liabilities are initially measured at fair value, and any net gains or losses, including any interest expense, are recognised in the surplus or deficit. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus or deficit.

Derecognition

The Entity derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Entity also derecognises a financial liability when its terms are modified, and the modified liability's cash flows are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in surplus or deficit

viii. Provisions

Provisions are recognized when the Entity 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. A reliable estimate can be made of the amount of the responsibility and the expense relating to any provision is presented in surplus/deficit net of any reimbursement.

ix. Inventories

The Entity recognises inventory expenses when inventory is issued, rather than on a purchase basis. The Entity applies just-in-time purchasing of goods. Furthermore, inventories are identified at the lower of cost and current replacement cost.

x. Related Party Transactions

A related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. The Entity discloses any related party transactions of every financial year, including special funds for facilitating other Government directives

xi. Events after reporting date

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. There are two types of events after the reporting date: adjusting and non-adjusting items, as per IPSAS 14. There were no material events to influence the financial statements under the reporting period.

xii. Taxpayers' Funds

These are monies invested to satisfy individual or collective needs or to create future benefits. They include all funds invested in capital expenditure by the Government of Tanzania, and they are derecognised when the respective non-current assets are removed from the books of account.

7. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

Estimates and judgements are continually evaluated, based on historical experience and other factors, including reasonable expectations of future events.

In applying the Institute's accounting policies, Management uses reasonable judgment in determining the useful lives of non-current assets and, hence, the depreciation rates of the items of property, plant and equipment charged.

(i) Useful lives of assets

The useful lives of items of plant, property, and equipment are estimated annually and are in line with the rate at which they are depreciated. The figures for Property, Plant, and Equipment have been affected by the estimates of the useful lives of non-current assets and the depreciation calculation method.

Review of the Useful Life of Non-Current Assets

During 2024/25, Management reviewed the asset register of non-current assets. The Management judgment on the reviewed assets appeared to require changes to the useful lives of existing equipment and motor vehicles.

Estimated Useful Life (EUL)

During the preparation of the Financial Statement for the year ended 30 June 2025, the Management reviewed the helpful life of non-current assets as shown in Table 12 below:

Table 12: Reviewed Assets

Description	Years
Furniture, fixture, and equipment	15
Motor vehicles	15
Computer hardware	8

(ii) Impairment of financial Assets

The Institute follows the guidance of IPSAS 41 to determine when a financial asset is impaired. This determination requires significant judgement. The Entity reviews its financial assets measured at amortised cost at each reporting date to assess whether an impairment loss should be recognised in surplus or deficit. In particular, judgment by the Entity Management is required in estimating the amount and timing of future cash flows when determining the needed impairment loss. Such estimates are based on assumptions about several factors, and actual results may differ, leading to future changes in the impairment. The Institute assesses whether observable data indicate a measurable decrease in the estimated future cash flows of an individual asset within the portfolio. This evidence may include observable data indicating an adverse change in rating outcomes, or national or local economic conditions that correlate with asset defaults. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used to estimate both the amount and timing of future cash flows are regularly reviewed to minimise discrepancies between loss estimates and actual losses incurred.

(iii) Impairment of non-financial assets

The Institute assesses whether any indicators of impairment exist for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when impairment indicators exist. When value in use calculations are undertaken, Management must estimate the expected future cash flows from the asset or cash-generating unit and select an appropriate discount rate to calculate the present value of those cash flows.

8. BUDGETARY BASIS, PERIOD AND SCOPE

Preparation and Approval of the Budget

The budget is prepared and approved on a cash basis by activity, and the financial statements are prepared on an accrual basis in accordance with International Public Sector Accounting Standards (IPSASs). The approved budget covers the fiscal period from 1 July 2024 to 30 June 2025, which is the same period as the Statement of Comparison of budget and actual amounts. The Board approved the budget of

Directors and subsequently submitted to the Ministry of Agriculture for consolidation and final approval by the Parliament of the United Republic of Tanzania.

The approved budget was TZS 20,845,054,057.00, and the actual collection was TZS 13,340,621,926.44, equivalent to 65%. Actual expenditure was TZS 13,201,488,706.06, equivalent to 63% of the final approved budget.

Significant differences between actual amounts and the approved budget
Funds Received:
This includes funds received from the Government to cover the cost of Personal emolument (PE), Development projects, and funds received from certification services rendered by TOSCI to its customers. The significant shortage resulted from:

(i) PE during the year the Institute budgeted TZS 2,073,064,000.00, while the actual amount received was TZS 2,008,273,000.00, equivalent to 99%.
(ii) The development fund including PE was budgeted at TZS 7,638,269,890.85 for the year ended 30 June 2025. However, the fund disbursed during the year was TZS 5,046,839,071.93, less by 34%.

9. RELATED PARTY TRANSACTIONS

During the year under review, the related party transactions include Members of the Board of Directors, the Director General and the Management Team. The total remuneration was TZS 333,505,000.00 as shown in **Table 13** below.

NOTE 9: Table 13: Related Party Transactions

	2024/2025	2023/2024
	TZS	TZS
Directors' allowances and Board meeting Cost	48,750,000.00	81,170,000
Management expenses	284,755,000.00	88,296,000.00
TOTAL	**333,505,000.00**	**169,466,000.00**

NOTE 10: Work in Progress

During the year under review, the Institute completed work in progress for the expansion of the National Seed Laboratory at the Headquarters, Morogoro valued at TZS 489,862,597.58.

NOTE 11: Intangible Asset

(TOAS)	226,555,780.00	0.00
Total	**226,555,780.00**	0.00

The Institute has acquired Computer Software named TOSCI Online Application Services through Donor Funds (AGRA), which has recognized as an intangible Asset and measured initially at the cost of TZS 226,555,780.00.

	2024/2025 TZS	2023/2024 TZS
NOTE 12: Seed Certification Fees		
Import Fee	39,340,000.00	45,540,000.00
Receipt from Inspection Fees	330,830,288.00	422,784,575.32
Sale Stickers	6,536,599,900.00	3,448,196,400.00
Export fees	6,740,000.00	2,220,000.00
Receipt from Training and Examination Fees	453,664,000.00	603,885,457.89
Testing Fee	1,300,529,150.00	1,412,712,076.68
Receipt from Conference Facilities	3,900,000.00	2,500,000.00
Total	**8,671,603,338.00**	**5,937,838,509.89**

NOTE 13 - Amortisation of Revenue Grants with Exchequer Revenue		
Subvention for Other Charges	0.00	28,333,333.29
Subvention for Personal Emolument	2,008,273,000.00	1,710,361,500.00
Total	**2,008,273,000.00**	**1,738,694,833.29**

NOTE 14- Government Grant Development Foreign (Donor Fund)		
TAIPS (assets)	369,276,629.52	0.00
AGRA	226,555,780.00	3,600,000.00
TFSRP	1,482,529,966.91	0.00
AFDP	960,203,695.50	106,947,458.37
Total	**3,038,566,071.93**	**110,547,458.37**

NOTE 15- Wages, Salaries and Employee

Benefits		
Casual Labourers	43,719,000.00	37,141,020.97
Civil Servants	2,008,273,000.00	1,710,361,500.00
Electricity	5,165,000.00	0.00
Extra-Duty	28,614,700.00	54,562,100.00
Food and Refreshment	34,660,000.00	15,444,350.00
Furniture Expenses	132,000,000.00	0.00
Gratuities	34,968,000.00	36,620,000.00
Honoraria	91,261,874.13	144,886,893.91
Housing Allowance discretionary Expenses	13,600,000.00	0.00
Housing allowance	47,400,000.00	18,600,000.00
Leave Travel	17,318,423.46	17,400,000.00
Moving Expenses	16,000,000.00	9,940,000.00
Responsibility Allowance	24,798,320.00	14,212,640.00
Sitting Allowance	104,098,000.00	65,915,600.00
Special Allowance	622,000.00	2,500,000.00
Subsistence Allowance	26,422,000.00	5,100,000.00
Telephone	4,515,000.00	0.00
Total	**2,633,435,317.59**	**2,132,684,104.88**

NOTE 16 - Use of Goods and Services

Advertising and Publication - Communication & Information	70,143,388.00	40,981,200.00
Agricultural Chemicals	3,337,000.00	4,040,240.00
Air Travel Tickets Training – Domestic	3,754,750.00	25,764,719.84
Air Travel Tickets: Travel Out Of Country	14,488,850.00	0.00
Computer Supplies and Accessories	5,756,900.00	0.00
Conference Facilities	18,400,000.00	8,098,000.00
Diesel	365,092,225.38	402,095,247.55
Electricity - Utilities, Supplies, and Services	46,473,000.00	31,590,000.00
Entertainment - Hospitality Supplies And Services	1,000,000.00	0.00
Fertilizers	4,759,000.00	5,860,360.00
Food and Refreshments	348,657,432.73	78,457,000.00
Ground Transport (Bus, Train, Water)	168,110,728.72	99,217,316.80
Internet and Email connections	59,999,999.07	72,000,000.00
Laboratory Supplies	2,550,000.00	0.00
Office Consumables (papers, pencils, pens, and stationery)	97,481,591.41	78,282,613.57
Outsourcing Costs (includes cleaning and security services)	82,728,734.90	102,985,019.64

Per Diem - Domestic	4,128,164,574.32	2,542,154,309.40
Per Diem - Foreign	32,745,408.00	62,634,303.20
Posts and Telegraphs	550,000.00	1,665,500.00
Printing and Photocopy paper	2,978,948,352.94	1,090,387,852.12
Printing and Photocopying Costs	3,514,700.00	0.00
Protective Clothing, footwear, and gears	100,000.00	0.00
Research and Dissertation Training - Domestic	10,000,000.00	10,000,000.00
Special Foods (diet food)	0.00	300,000.00
Subscription Fees	19,000,000.00	14,232,685.56
Training Allowances	31,720,000.00	8,250,000.00
Training Materials	6,357,000.00	8,147,000.00
Tuition Fees Training - Domestic	37,022,000.00	37,991,000.00
Uniforms and Ceremonial Dresses	30,000,000.00	34,660,000.00
Water Charges	1,200,000.00	1,082,355.42
Seeds	11,971,291,500.00	0.00
Total	**20,543,347,135.47**	**4,760,876,723.10**

NOTE 17- Maintenance Expenses

Cement, Bricks, and Building Materials	23,134,655.00	0.00
Computers, printers, scanners, and other computer-related equipment	2,983,000.00	0.00
Direct labour (contracted or casual hire) - Buildings	6,766,000.00	11,711,800.00
Metal Fence and Posts - Buildings	0.00	128,500.00
Motor Vehicles and Watercraft	244,650,294.03	172,028,302.78
Photocopiers	0.00	2,360,000.00
Telephones and Office PABX systems	23,633,000.00	13,615,000.00
Tyres and Batteries	48,952,300.00	32,640,128.79
Total	**350,119,249.03**	**232,483,731.57**

NOTE 18- Other Expenses

Audit fees Expenses	40,000,000.00	40,000,000.00
Bank Charges and Commissions	2,012,195.64	413,458.37
Burial Expenses	9,000,000.00	5,400,000.00
consultancy fees	10,000,0000.00	6,410,000.00
Management Fee	37,000,000.00	77,500,000.00
Sundry Expenses	259,943,792.21	213,736,203.94
Total	**357,955,987.85**	**343,459,662.31**

NOTE 19 - Grants, Subsidies and Other

Transfer Payments		
Contributions (15% on Gross Revenue and other contributions)	75,000,000.00	50,000,000.00
Total	**75,000,000.00**	**50,000,000.00**

NOTE 20 - Cash and Cash Equivalents

BOT Own-source Collection Account	530,921,650.29	719,278,961.50
BOT - Dollar Collection Account	233,400,745.00	0.00
CRDB Expenditure Account	387,723,454.55	83,429,972.03
AFDP Expenditure Account	781,833,253.77	992,036,949.27
Sub total	**1,933,879,103.61**	**1,794,745,882.80**
less: Expected Credit Loss	25,262,424.90	23,068,085.50
Total	**1,908,616,678.71**	**1,771,677,797.30**

NOTE 21 - Receivables

Fees, fines, penalties, and licenses	717,256,485.86	814,719,306.86
Less: Provision of Receivable -ECL	717,256,485.86	814,719,306.86
Total	**0.00**	**0.00**

NOTE 22 - Prepayments

Prepayment-Asset	420,152,365.03	0.00
Prepayment-Fuel	34,194,398.32	29,758,155.00
Total	**454,346,763.35**	**29,758,155.00**

NOTE 23 - Inventories

Consumables	391,323,535.60	227,927,725.20
Total	**391,323,535.60**	**227,927,725.20**

NOTE 24 - Payables and Accruals

Unapplied Deposit Account	9,510,408.30	5,275,055.80
Supplier debts	11,998,054,641.51	5,310,000.00
Staff Claims	173,098,500.00	70,000,000.00
Total	**12,180,663,549.82**	**80,585,055.80**

NOTE 26 Deferred Development (Revenue)

Development Deferred Income (AFDP)	781,833,253.77	992,036,949.27

Development Deferred Income (TSRP)	599,247,978.03	585,300,000.00
AGRA	235,877,404.05	0.00
PROSSIVA	79,168,716.00	0.00
Total	**1,696,127,351.85**	**1,577,336,949.27**
NOTE 27 - Depreciation of Property, Plant and Equipment		
Depreciation Motor Vehicles (Administrative)	77,225,019.27	42,990,552.42
Depreciation Office buildings and structures	45,069,740.87	41,238,145.48
Depreciation Office Furniture and Fittings	5,375,688.58	4,268,504.07
Other Office equipment	87,029,249.00	83,155,172.42
Plant and Machinery	542,216.65	1,464,756.35
Total	**215,241,914.37**	**173,117,130.74**
NOTE 28 - Impairments of Non-Current Assets		
Motor Vehicle-Impairment	0.00	31,515,362.72
Total	**0.00**	**31,515,362.72**
NOTE 29 - Fair value gain on assets and liabilities		
Reversal of provision for impairment of Receivables (ECL)	97,462,821.00	191,919,343.00
Total	**97,462,821.00**	**191,919,343.00**
NOTE 30 - Provision for Expected Credit Loss - Long Term (Receivable)		
Provision of Receivable -ECL	717,256,485.86	814,719,306.86
Total	**717,256,485.86**	**814,719,306.86**
NOTE 31- SUBVENTION FROM GOVERNMENT		
Reported in the Statement of Financial Performance	5,046,839,071.93	1,849,242,291.66
Add/(less) Changes in Deferred Current	0.00	(308,220.60)
Add: Development Deferred (Revenue)	118,790,402.58	1,256,378,527.48
Add/less: Changes in Deposit (Unapplied deposit)	4,235,352.50	5,275,055.80
Less: Non-Monetary Revenue 2025 PPE Schedule	369,276,629.52	3,600,000.00
Less: Non-Monetary Revenue - Intangible	226,555,780.00	

Assets		
Cash inflow	**4,574,032,417.49**	**3,106,987,654.34**
NOTE 32 -Revenue from exchange transactions		
Reported in the Statement of Financial Performance	8,671,603,338.00	5,937,838,509.89
Add/(less) Changes in Receivable	97,462,821.00	191,919,343.00
Cash inflow	**8,769,066,159.00**	**6,129,757,852.89**
NOTE 33- WAGES, SALARIES, AND EMPLOYEE BENEFITS		
Reported in the Statement of Financial Performance	2,633,435,317.59	2,132,684,104.88
Add/(less) Changes in Payable (Staff Claims)	(103,098,500.00)	174,028,040.00
Cash Outflow	**2,530,336,817.59**	**2,306,712,144.88**
NOTE 34- SUPPLIES AND CONSUMABLES USED		
Reported in the Statement of Financial Performance	20,543,347,135.47	4,760,876,723.10
Add/(less) Changes in Working Capital (Supplies & Consumables)	(11,824,912,587.35)	103,457,952.90
Cash Outflow	**8,718,434,548.12**	**4,864,334,676.00**

NOTE 35 - ROUTINE REPAIR AND MAINTENANCE EXPENSES

Reported in the Statement of Financial Performance	350,119,249.03	232,483,731.57
Add/(less) Changes in Working Capital	0.00	0.00
Cash Outflow	**350,119,249.03**	**232,483,731.57**
NOTE 36- OTHER EXPENSES		
Reported in the Statement of Financial Performance	357,955,987.85	343,459,662.31
Add/(less) Changes in Working Capital	0.00	0.00
Cash Outflow	**357,955,987.85**	**343,459,662.31**
NOTE 37 - ACQUISITION OF PROPERTY, PLANT, AND EQUIPMENTS		
Additional monetary (PPE movement schedule)	259,627,140.87	38,864,751.20
Add: Prepayment Assets	420,152,365.03	0.00

Work in Progress (WIP) note 44	489,862,597.58	0.00
Cash Outflow	**1,169,642,103.48**	**38,864,751.20**

NOTE 38: ECL Expenses

Cash and Bank Equivalent	2,194,339.40	15,247,073.41
Total	**2,194,339.40**	**15,247,073.41**

NOTE 40: Foreign exchange translations

All monetary amounts in the financial statements are expressed in Tanzanian Shillings, the legal tender, shown as TZS. The Tanzanian Shilling closing rate (the Bank of Tanzania middle rate) for major currencies was as scheduled below: -

Currency	30 June 2025	30 June 2024
United States Dollar (USD)	2604.11	2617.51

However, the exchange rates for the transactions were those as per the Bank of Tanzania for major currencies on the date of the transactions.

During the year the Institute received USD 30,401.50 dated 05Th June 2025 at the rate of TZS 2,685.57 which was equivalent to TZS 81,645,356.36.
At the yearend 30th June 2025 the same amount was maintained at USD Account and exchange rate was TZS 2,604.11 equivalent to TZS 79,168,716.30
There was exchange loss of TZS 2,476,640.06

loss on foreign currency change	2,476,650.06	-
Total	**2,476,650.06**	-

NOTE 39: PROPERTY, PLANT AND EQUIPMENT 2024/25

Asset	Land	Office buildings and structures	Motor vehicle	Plant and Machinery	Office and Laboratory Equipment	Furniture and Fittings	TOTAL
Currency	TZS	TZS	TZS	TZS	TZS	TZS	TZS
At 1 July 2024	714,474,600.00	2,061,907,273.89	1,507,203,175.22	127,218,019.60	1,981,724,737.90	152,741,660.00	6,545,269,466.61
Additions Monetary			200,947,800.00		57,029,340.87	1,650,000.00	259,627,140.87
Additions-Non-Monetary					369,276,629.52		369,276,629.52
As at 30 June 2025	**714,474,600.00**	**2,061,907,273.89**	**1,708,150,975.22**	**127,218,019.60**	**2,408,030,708.29**	**154,391,660.00**	**7,174,173,237.00**
Acc. Depreciation and Impairment							
As at 01 July 2024	0.00	175,654,206.60	986,513,500.41	120,224,614.53	1,485,597,781.27	102,338,692.97	2,870,328,795.78
Charge during the year-Depreciation		45,069,740.87	77,225,019.27	542,216.65	87,029,249.00	5,375,688.58	215,241,914.37
As at 30 June 2025	-	220,723,947.47	1,063,738,519.68	120,766,831.18	1,572,627,030.27	107,714,381.55	**3,085,570,710.15**
Carrying Value - 30 June 2025	**714,474,600.00**	**1,841,183,326.42**	**644,412,455.54**	**6,451,188.42**	**835,403,678.02**	**46,677,278.45**	**4,088,602,526.85**

NOTE 39: PROPERTY, PLANT AND EQUIPMENT 2023/24

Asset	Land	Office buildings and structures	Motor vehicle	Plant and Machinery	Office and Laboratory Equipment	Furniture and Fittings	TOTAL
Currency	TZS	TZS	TZS	TZS	TZS	TZS	TZS
At 1 July 2023	714,474,600.00	2,061,907,273.89	1,430,722,737.94	127,218,019.60	1,951,359,986.70	140,641,660.00	6,426,324,278.13
Additions Monetary					30,364,751.20	8,500,000.00	38,864,751.20
Additions-Non-Monetary			107,995,800.00			3,600,000.00	111,595,800.00
Impairments -Assets			31,515,362.72				31,515,362.72
As at 30 June 2024	**714,474,600.00**	**2,061,907,273.89**	**1,507,203,175.22**	**127,218,019.60**	**1,981,724,737.90**	**152,741,660.00**	**6,545,269,466.61**
Acc. Depreciation and Impairment							
As at 01 July 2023	0.00	134,416,061.12	943,522,947.99	118,759,858.18	1,402,442,608.85	98,070,188.90	2,697,211,665.04
Charge during the year- Depreciation	0.00	41,238,145.48	42,990,552.42	1,464,756.35	83,155,172.42	4,268,504.07	173,117,130.74
As at 30 June 2024	-	175,654,206.60	986,513,500.41	120,224,614.53	1,485,597,781.27	102,338,692.97	**2,870,328,795.78**
Carrying Value - 30 June 2024	**714,474,600.00**	**1,886,253,067.29**	**520,689,674.81**	**6,993,405.07**	**496,126,956.63**	**50,402,967.03**	**3,674,940,670.83**

Note 41: RECONCILIATIONS BETWEEN BUDGET AND CASHFLOW

Reconciliation between actual amounts on a comparable basis as presented in the statement of comparison of budget and actual amounts in the statement of cash flows (IPSAS 24).

	Operating	Financing	Investing	Total
Actual amount on a comparable basis, as presented in the budget and the actual comparative statement	12,031,846,602.59	0.00	1,169,642,103.48	13,201,488,706.07
Basis difference	0. 00	0.00	0.00	0.00
Timing difference	0.00	0.00	0.00	0.00
Entity differences	0.00	0.00	0.00	0.00
Actual Amount in the statement of cash flows	**12,031,846,602.59**	**0.00**	**1,169,642,103.48**	**13,201,488,706.07**

Note 44

NOTES TO THE FINANCIAL STATEMENT - ASSET MOVEMENT (WORK IN PROGRESS)

Descriptions	Additional Monetary	Additional Non-Monetary	Transfers	Balance
Buildings other than dwellings - WIP	489,862,597.58		-	489,862,597.58
TOTAL	**489,862,597.58**	-	-	**489,862,597.58**

NOTE 42: CASH FLOW RECONCILIATION

STATEMENT OF CASH FLOWS RECONCILIATION FOR THE PERIOD ENDED 30 JUNE 2025

	2024/25 TZS	2023/24 TZS
Operating activities		
Surplus/ (Deficit) for the Period	(10,363,865,362.85)	239,616,355.82
Add/ (Less) Non-Cash Item		
Depreciation of Property, Plant and Equipment	215,241,914.37	173,117,130.74
Capital Grant Received Non-Monetary	(595,832,409.52)	(3,600,000.00)
Impairment of Non-Current Assets		31,515,362.72
Expected credit loss impairment	2,194,339.40	15,247,073.00
Loss on foreign currency change	2,476,650.00	0.00
Fair value gains on Assets and Liabilities	(97,462,821.00)	(191,919,343.00)
Add/ (Less) Change in Working Capital		
Recurrent Deferred Income (Revenue)		
Deferred Income (Revenue)	118,790,402.58	1,256,070,306.88
Inventories	(163,395,810.00)	(90,331,324.00)
Other receipts (Unapplied deposit)	4,235,352.85	5,275,056.31
Payables and Accruals	12,095,843,140.00	(178,359,822.00)
Prepayments	(4,436,243.00)	(8,794,847.00)
Receivables	97,462,821.00	191,919,343.00
Net Cash Flow from Operating Activities	**1,311,251,973.90**	**1,439,755,292.47**
Direct Method	**1,311,251,973.90**	**1,439,755,292.47**

Note 43: ADOPTION OF NEW AND REVISED ACCRUAL-BASED IPSAS

The new and revised accrual-based IPSAS, which are not effective and not early adopted by the Institute at the reporting date, are stated hereunder:

43.1 IPSAS 47: REVENUE

The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from revenue transactions. To develop a new Standard that sets out the accounting requirements for revenue transactions in the public sector. This IPSAS replaces IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers). The effective date of this standard applies to the annual financial statements for periods beginning on or after January 1, 2026. The Institute has not applied the requirements of IPSAS 47 earlier than its effective date.

43.2 IPSAS 48: TRANSFER EXPENSES

The objective of this Standard is to establish the principles that a transfer provider (an entity) shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of expenses and cash flows arising from transfer expense transactions. A transfer expense is an expense arising from a transaction, other than taxes, in which an entity provides a good, service, or other asset to another entity, without directly receiving any good, service, or other asset in return. The effective date of this standard applies to the annual financial statements for periods beginning on or after January 1, 2026. The Institute has not applied the requirements of IPSAS 48 before its effective date.

43.3 IPSAS 49: RETIREMENT BENEFIT PLANS

The objective of this Standard is to prescribe the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants. The effective date of this standard applies to the annual financial statements for periods beginning on or after January 1, 2026. The Institute has not applied the requirements of IPSAS 49 earlier than its effective date. This Standard complements the requirements in IPSAS 39, and therefore provides the desired information on public sector retirement benefit obligations for each retirement benefit plan that reports under this Standard. The effective date of this standard applies to the annual financial statements for periods beginning on or after January 1, 2026. The Institute has not applied the requirements of IPSAS 49 earlier than its effective date.

Note 46: ECL Computation

ECL Computation for the year 2023/24

As on June 30, 2024		Default considered	Above 365 Days			
Delinquency Bucket	**EAD**	**Base Case Total ECL**	**Best Case Total ECL**	**Worst Case Total ECL**	**Probability Weighted ECL**	**Loss Ratio (%)**
0-30 Days	-	-	-	-	-	-
31-60 Days	-	-	-	-	-	-
61-90 Days	-	-	-	-	-	-
91-120 Days	-	-	-	-	-	-
121-150 Days	-	-	-	-	-	-
151-180 Days	-	-	-	-	-	-
181-210 Days	-	-	-	-	-	-
211-240 Days	-	-	-	-	-	-
241-270 Days	-	-	-	-	-	-
271-300 Days	-	-	-	-	-	-
301-330 Days	-	-	-	-	-	-
331-365 Days	-	-	-	-	-	-
Above 365 Days	814,719,307	814,719,306.86	814,719,306.86	814,719,306.86	814,719,306.86	100.00%
Total	**814,719,307**	**814,719,307**	**814,719,307**	**814,719,307**	**814,719,307**	**100.00%**

ECL Computation for the year 2024/25

As on June 30, 2025		Default considered	Above 365 Days			
Delinquency Bucket	EAD	Base Case Total ECL	Best Case Total ECL	Worst Case Total ECL	Probability Weighted ECL	Loss Ratio (%)
0-30 Days	-	-	-	-	-	-
31-60 Days	-	-	-	-	-	-
61-90 Days	-	-	-	-	-	-
91-120 Days	-	-	-	-	-	-
121-150 Days	-	-	-	-	-	-
151-180 Days	-	-	-	-	-	-
181-210 Days	-	-	-	-	-	-
211-240 Days	-	-	-	-	-	-
241-270 Days	-	-	-	-	-	-
271-300 Days	-	-	-	-	-	-
301-330 Days	-	-	-	-	-	-
331-365 Days	-	-	-	-	-	-
Above 365 Days	717,256,485.86	717,256,485.86	717,256,485.86	717,256,485.86	717,256,485.86	100.00%
Total	717,256,485.86	717,256,485.86	717,256,485.86	717,256,485.86	717,256,485.86	100.00%