REPORT OF THE CONTROLLER AND AUDITOR GENERAL

THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE

ISO 9001:2015 Certified

AGRICULTURAL SEED AGENCY

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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AR/CG/ASA/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.

© This audit report is intended to be used by the Agricultural Seed Agency and may form part of the annual general report, which, once tabled in the National Assembly, becomes a public document; hence, its distribution may not be limited.

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Abbreviations

AFDP	Agriculture and Fisheries Development Programme
ASDP II	Agricultural Sector Development Programme Phase Two
CEO	Chief Executive Officer
EIA	Environmental Impact Assessments
ESG	Environmental Social Governance
ESIA	Environmental and Social Impact Assessments
FYDP II	Five-Year National Development Plan, Phase Two
MBA	Master of Business Administration
NHIF	National Health Insurance Fund
PSSSF	Public Service Social Security Fund
SDGs	Sustainable Development Goals
TAISP	Tanzania Agricultural Inputs Support Programme
TDV	Tanzania Development Vision 2025
TFSRP	Tanzania Food System Resilience Programme

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,
Agricultural Seed Agency,
P.O. Box 364,
MOROGORO,
TANZANIA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Agricultural Seed Agency, 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 Agricultural Seed Agency 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 Agricultural Seed Agency 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 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 Introduction, Governance Information, Strategies and Achievements, Sustainability and Climate-Related Disclosure, Statement of Management Responsibility, Declaration by the Head of Finance and Accounts Unit, and the Commentary on the Financial Statements 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 I obtained prior to the date of this audit report, I conclude that there is a material misstatement in that information, I am required to report it. 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 as issued by the International Public Sector Accounting Standard Board (IPSASB) 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 it is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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 Agricultural Seed Agency 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 authorizations before award and maintained complete transaction records.

Based on the audit procedures performed, I conclude that, except for the matter described below, Agricultural Seed Agency generally complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

Project Delays due to Contract Management TZS 64.7 million ASA entered into a contract with ALAF Limited (Contract No. TR103/2024/2025/G/85) for the supply of roofing materials to the ASA Njombe Centre at a contract sum of TZS 64,683,373 (VAT inclusive). The contract commenced on 10 April 2025 and was expected to be completed on 09 May 2025.

Clause No. 25(iii) stipulates that 100% of the contract price shall be paid to the supplier within 30 days after the date of the acceptance certificate issued by the Procuring Entity. However, as of the audit in September 2025, it was noted that the roofing materials had not been delivered, despite the contract period having lapsed for four months.

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 Agricultural Seed Agency 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.

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

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

2.0 FINANCIAL STATEMENTS

2.1.1 INTRODUCTION

In compliance with section 16 (1) of the Executive Agencies Act of 1997 (RE. 2023), the Chief Executive Officer submit the Report of Those Charged with Governance and financial statements of the Agricultural Seed Agency (ASA), for the year ended 30 June 2025.

2.1.2 KEY FUNCTIONS

According to the Agricultural Seed Agency Establishment order GN No. 35 of 2006, the objectives of ASA shall be: -

a. To increase production and distribution of quality seed
b. Encourage the private sector to participate in seed production and distribution
c. To encourage farmers to use quality seed
d. Collaborate with research centres to ensure that new seeds are produced and distributed to farmers.

2.1.3 PRINCIPAL ACTIVITIES

The Agricultural Seed Agency is mandated to produce, process, and distribute high-quality agricultural seed to farmers at affordable prices. Therefore, the 2024/2025 budget estimates reflect a number of activities that will contribute to the Agency's and National goals, including those stipulated in the Agricultural Development Program Phase II (ASDP II) and the five-year National Development Plan (FYDP III, 2021/22 to 2025/26).

The approved budget for 2024/25 focuses, among other activities, on increasing the production and distribution of improved Agricultural seed to farmers, particularly the country's priority crops.

This is achieved by improving irrigation infrastructure, crop management, training for farm supervisors and Agricultural officers, enhancing storage facilities, strengthening seed distribution channels, and promoting and raising awareness.

This aligns with the objectives of the Agricultural Sector Development Program Phase II (ASDP II) and the ASA strategic plan, which aim to drive agricultural sector growth by ensuring farmers have access to quality agricultural inputs, including seed, and by increasing productivity.

2.1.4 VISION AND MISSION STATEMENT

2.1.5 Vision

To be a leading sustainable producer and supplier of high-quality agricultural seed.

2.1.6 Mission

To produce, process, and market sufficient high-quality agricultural seed for the local and foreign markets.

2.1.7 Core values

In pursuit of excellence in service, the core business values of ASA are:

Teamwork: To organise our staff in an effective and efficient organisation and work approach that emphasises teamwork to seamlessly deliver what we promise our customers and stakeholders.

Excellence: To work tirelessly to achieve high-quality products and services that are evidenced by excellent performance in all that we do in production, processing, distribution and management.

Customer care: To direct our energy and efforts to satisfy our customers in all spheres of our business in providing high-quality agricultural seed and related services.

Technology: To embrace technology in all of production, process, distribution, and management to achieve efficiency and control our operating costs.

Integrity: To integrate principles of integrity and honest actions in all our management activities and the performance of our staff.

Accountability: To operate under good corporate governance, which is accountable to all stakeholders and to the resources entrusted to the Agency.

The Plan and Budget for 2024/2025 within the third and final Five-Year National Development Plan 2021/22 - 2025/26

The Agency continued to consolidate efforts to produce improved seed for all crop varieties, including seed for strategic crops. It used a seed marketing strategy to distribute seeds to farmers and other end users at affordable prices, thereby increasing the availability of raw materials for industry.

This is done in accordance with the Second Phase of the Agricultural Sector Development Programme (ASDP II) framework. The objective is to transform the agricultural sector (crops, livestock & fisheries) into a higher-productivity, commercialised sector with improved smallholder farmer incomes, ensuring better livelihoods, food security, and nutrition.

The ASA Ministerial Advisory Board will continue to advise and work closely with the Agency's management to ensure a commitment to standards and to the quality of outputs and services for all stakeholders/customers, thereby improving the agricultural sector and enhancing its contribution to the national economy.

Furthermore, all board members are responsible for ensuring that ASA implements all planned priorities and activities that contribute to the sector's advancement.

.... 30 Jan, 2026 ....

Ms Mary Evarist Kipeja

BOARD CHAIRPERSON **Date**

3.0 STATEMENT BY THE ACCOUNTING OFFICER

The agricultural sector is a key driver in Tanzania, employing about 61% of the population. Seed is an essential input for the development of the agriculture sector, as it supports farmers' productivity and profitability and the nation's food security.

The Tanzanian seed system comprises seed supplied through both formal and informal channels. The majority of Tanzanian smallholder farmers still rely on informal seed systems that produce poor-quality seed, reducing their productivity and production.

i. In addressing the problems associated with the use of seed supplied under an informal system, ASA is focusing on the following: -
ii. To increasing production and productivity of quality and adequate basic and certified seed
iii. To reduce the cost of production and operations in order to invest on agriculture implements
iv. To increase own-source revenue by broadening market coverage by reaching more farmers
v. To enhance good relationships and cooperation within the Agency and other stakeholders

1.0 Ministerial Advisory Board

The Agency has a Ministerial Advisory Board established under Chapter 245, Sections 6 (2)- 6 (4) of the Executive Agencies Act 1997 (Revised 2023), comprising a Chairperson, six (6) members, and a Secretary. The list of Members of the Ministerial Advisory Board is shown in **Table 1** below:

Table 1: Members of the Ministerial Advisory Board

S/N	Name	Title	Qualification	Age	Date of Appointment
1.	Ms Mary Evarist Kipeja	Chairperson	Master of Business Administration (MBA)	42	January, 2025
2.	Mr Samsom William Poneja	Member	Bachelor of Science in Agriculture General	47	January, 2025
3.	Dr Martin Julius Chegere	Member	PhD. In Economics	39	January,2025
4.	Ms Shamira Juma Mshangama	Member	Master of Leadership and Management	32	January, 2025
5.	Mr Seka Isaya Kasera	Member	Master of Public Administration	51	January, 2025
6.	Mr Vianey Jasson Rweyendela	Member	Master of Science in Agricultural Economics	50	January, 2025
7.	Dr Regina Emilian Kapinga	Member	PhD. in Agronomy (Major -adaptive breeding and crop management)	69	January, 2025
8.	Mr Leo Martin Mavika	Secretary	Master's in development policy	58	January, 2025

The function of a Ministerial Advisory Board, among others, is to advise the Minister on the following:

i) The development and maintenance of a strategic framework
ii) The objectives of the Agency
iii) The acceptability of the Chief Executive's plans and associated budgets
iv) The setting of priorities and annual performance targets for the Agency
v) The Approval of the Agency's annual reports and accounts
vi) The evaluation of the Agency's performance.
vii) Salaries, wages, and allowances of the employees of the Agency
viii) Any other matter in promotion and furtherance of the objectives and functions of the Executive Agency Act.

During the year, the Board held three (3) meetings, with reference numbers 43, 44, and 45, to deliberate on matters related to its mandate.

3.1.1 Audit Committee

The Agency has an Audit Committee established in accordance with Regulation 30(1) of the Public Finance Regulations of 2001 (as revised in 2024). It has five (5) members, whereby four (4) of them are external members and one of the external members is the Chairperson of the Committee. The list of members of the Audit Committee is shown in **Table 2** below:

Table 2: Members of the Audit Committee:

S/N	Name	Qualifications	Title	Age	Date of Appointment
1.	Mr Abisai Mathias Abisai	Certified Public Accountant (T), MBA - in Corporate Management	Chairperson	61	November, 2021
2.	Mr. Dyoya James Dyoya	Certified Public Accountant	Member	62	November, 2021
3.	Ms Lunyamadzo Maulaga Gillah	Master of Laws	Member	56	March, 2022
4.	Dr Adolf Gerald Saria	PhD in Agronomy	Member	42	March, 2022
5.	Ms Rozalia Patrice Mtenga	Master of Arts in Project Management and Evaluation	Member	41	March, 2022
6.	Adv. Valentine Rutashobya Kamugisha	Post Graduate Diploma in Legal Practice	Secretary	48	March, 2022

The Audit Committee's functions, among other things, include;

a) Provide an independent review of the organisation's reporting function to ensure the integrity of the financial reports
b) Ensure all internal control and risk management functions are operating effectively and reliably

c) Provide strong and effective oversight of the organisation's internal and external audit functions
d) Approval of the annual internal and strategic audit plans
e) Advise the Accounting Officer on the matters of concern raised in the reports of the internal auditor and CAG.
f) Advise the Accounting Officer on the preparation and review of financial statements of the Agency.

During the year ended 30 June 2025, the Committee held three (3) meetings to review the internal audit report, assess and discuss CAG Audit observations, and advise management on how to implement the matters addressed in the Management letter issued.

3.1.2 Employment Committee

The Agency employment committee has held three (3) meetings to resolve employee matters, including the approval of employees eligible for promotion and re-categorisation. The committee is comprised of five (5) members, as shown in **Table 3** below: -

Table 3: Employment Committee Members

S/N	Name	Qualifications	Title
1	Dr Justin Hanson Ringo	Bsc. Agric. General, Master of Philosophy in Plant Breeding, PhD in Plant Genetics.	Chairperson
2	Ms Hilda Kyando -Gellejah	Master of Human Resource Management, PHR, and Advanced Diploma of Public Administration.	Secretary
3	Mr Wilfred George Mwambaga	Bsc. Information Technology	Member
4	Ms Mary George Machaku	Master of PSM	Member
5	Adv. Valentine Rutashobya Kamugisha	Post Graduate Diploma in Legal Practice	Member

3.1.3 Tender Board

The Agency has a Tender Board, which was established as per the requirements of Section 31 of the Public Procurement (Amendment) Act, 2023, to discharge its responsibilities as stipulated in Section 33 (1) of the Public Procurement Act No 7 of 2011(as amended in 2023) as a tender board for the procurement of goods, services, and works. The Agency Tender Board comprises the following members: (Refer to **Table 4** below).

Table 4: Members of Tender Board

S/N	NAME	QUALIFICATIONS	TITLES
1.	Dr Justin Hanson Ringo	Bsc. Agric. General, Master of Philosophy in Plant Breeding, PhD in Plant Genetics.	Chairperson
2.	Mr Wilfred George Mwambaga	BSc. Information Technology.	Member
3.	Ms. Hilda Kyando -Gellejah	Master of Human Resource Management, PHR, and Advanced Diploma of Public Administration.	Member
4.	CPA David Johnson Msuya	MSc. In Accounting and Finance, CPA (T)	Member
5.	Eng. Philip Mathew Sumuni	Master of Science in Irrigation Engineering and Management	Member
6.	Mr Emmanuel Kulwa Maziku	Master of Science in Agricultural Economics	Member
7.	Mr Edward Angolile Mbugi	Master of Science in Agricultural Economics	Member
8.	Mr Adam Gerald Kayagambe	MSc in Procurement and Supply Chain Management; CPSP.	Secretary

The main responsibilities of the Tender Board are as follows:

a) Deliberate on the recommendations from the Procurement Management Unit and approve award contracts.
b) Review all applications for variations, addenda, or amendments to ongoing contracts.
c) Approving tendering and contract documents.
d) Approving procurement and disposal by tender procedures.
e) Ensuring that best practices in relation to procurement and disposal by tender are strictly adhered to by procuring entities.
f) Ensure compliance with the Act.
g) Liaising directly with the authority on matters within its jurisdiction.

During the year, the board reviewed the Annual Procurement Plan, approved tender documents, approved contract awards, and approved several tender evaluation reports, all in compliance with applicable laws and regulations.

3.1.4 Strategies and Achievements

3.1.5 The Performance of the Agriculture Sector

The agriculture sector continued to show indicators of growth in 2024/25 as recorded in the previous season. According to the National Bureau of Statistics' annual performance report for 2024/25, the agricultural sector grew by 4% in 2025.

It is worth noting that much of our agriculture depends on rainfall. However, the implementation of our agricultural development interventions, as stipulated in the National Agriculture Policy of 2013, sector strategies, projects, and programs, has contributed to change. This is reflected in the Government's heavy investment in some of the agencies' seed farms, with a total of 600Ha in surface irrigation systems, 5.5Ha in drip irrigation systems, and 440Ha in centre-pivot irrigation systems.

The key enabling factors for this development were the increased use of improved seed, the availability of extension services, and ever-increasing investments in basic infrastructure in rural areas. Although the available data is indicative, if performance indicators are released, the agriculture sector's performance may show even more improved trends.

3.1.6 Other achievements

The Agency's performance for 2024/25 reflects significant growth. The projected production of high-quality seed is 9,303 MT, a substantial increase from the 4,510 MT produced in 2023/24.

For the 2024/25 fiscal year, ASA's budget focuses on key priorities outlined in its Strategic Plan. The Agency has committed to intensifying efforts across three Key Result Areas (KRAs):

1. The production of adequate and adaptable high-quality agricultural seeds;
2. The establishment of an effective and efficient marketing system for ASA products and services; and
3. The maintenance of a well-managed Agency.

Achieving these KRAs is supported by the development of irrigation infrastructure, the construction of modern warehouses, the mobilization of human and financial resources, and the implementation of an advanced management system.

Execution of this budget will facilitate ASA's objectives to produce and distribute improved seeds. This aligns with the aspirations of ASDP II, the Tanzania Development Vision (TDV) 2025, the Sustainable Development Goals (SDGs), and the Five-Year Development Plan (FYDP). Increased adoption of improved seeds by smallholder farmers is expected to directly enhance productivity, increase farmer income, and bolster national food security. We remain committed to serving the Tanzanian farming community.

3.1.7 Key Performance Indicators

The Key Performance Indicators (KPIs) are listed in Table 5.

Table 5: Key Performance Indicators

Performance indicator/ratio	Definition and formula	Purpose	2025	2024
Income ratios	Total Income/Total Assets	Income-generating activities	62%	64%
	Total Income from ASA sources/Total Income	Own source income generation	33%	14%
Expenditure Ratios	Total Expenses/Total Income	Relationship between expenses and income	86%	76%
	Total Expenses less Depreciation/Total Income	Relationship between expenses and income, excluding non-cash expenses	81%	73%
Liquidity Ratio	Current Assets/Current Liabilities	The ability of the Agency to settle its current obligations	1.5:1	1.2:1

3.1.8 Stakeholders' analysis

ASA is deeply connected to and committed to the environment in which we operate and the societies we serve. Our ability to deliver value is dependent on our relationships and the contributions and activities of our stakeholders. We engage in dialogue with our stakeholders to understand their needs and meet their expectations, creating value for them and the Agency, as shown in **Table 6** below.

Table 6: Stakeholder Analysis

Stakeholders	Product/Service	Expectations	Potential impact if expectations not met	Priority ranking
FARMERS	Improved seed Extensions services Marketing channel	Access to Improved seed and other agricultural inputs Access to training on good agricultural practices Good price of their products Access to financial services	Poor production due to poor agricultural practices and the use of improved inputs Low income	H

Stakeholders	Product/Service	Expectations	Potential impact if expectations not met	Priority ranking
AGENTS	Improved seed Extensions services Knowledge of the use of the improved seed	Supplies inputs to farmers includes seed, fertilizers and Agrochemicals at a reasonable price and get profit Access to knowledge on the products they supply Supplies quality products to consumers	Failure to provide Agricultural inputs and the right information to farmers leads to poor production and low income for farmers	H
OUTGROWERS	Basic seed Knowledge of seed multiplication	Provision of quality basic seed Provision of technical	Low production of certified seed Due to the poor quality of the basic	H
	Arable land for seed multiplication	Assistance with seed multiplication Access to financial support from financial Institutions Availability of arable land. High productivity	seed and inadequate use of Agricultural inputs Low revenue From their investment	
RESEARCHERS	Pre-basis seed Knowledge of the newly released seed	Feedback from farmers and seed companies on the performance of the released seed Conducive seed policies and guidelines. Enough funds for research.	Failure to Release new seed varieties due to poor and enough Agricultural research	H
MINISTRY OF AGRICULTURE	Fund Policy	Access to basic seed Access to seed multiplication trainings and Premises like storage facilities and processing plants	Formalised seed industry Policies that will govern land use in seed production regions Enabling seed industry regulatory mechanisms Adhere to Planning and Budget Guidelines Adhere to land Use Regulations	H
MINISTRY OF FINANCE	Fund for Operation and Development projects.	Collaboration in addressing poverty reduction issues. Collaboration in the implementation of agricultural	No more funds released to the Agency	H

Stakeholders	Product/Service	Expectations	Potential impact if expectations not met	Priority ranking
		development Projects.		
OFFICE OF THE TREASURY REGISTRAR	Good governance Directive and circular	Efficient Allocation of Productive Resources Agency revenue maximisation and cost minimisation	Increase in government dependence	**H**
MEDIA	Creating public awareness	Collaborating on seed information sharing with related stakeholders	Lack of knowledge on the use of improved seed and good agronomical practices	**H**
SERVICE PROVIDER	Various supplies	Bills paid timely. Good services to clients	Services are discontinued	**M**
PRIVATE SEED COMPANIES	Improved basic seed		Decline in revenue due to low seed multiplication Decline of Market share Due to the poor quality of the seed produced	**M**
DEVELOPMENT PARTNER	Improved seed Knowledge of the use of the improved seed		Withdraw their contributions	**M**
NON-GOVERNMENTAL ORGANIZATION & COMMUNITY-BASED ORGANIZATION	Improved seed Knowledge of the use of the improved seed	Access to improved seed to support farmers and training on good agricultural practices.	Poor support to farmers on crop production Less impact of their contributions to the Community (beneficiaries).	**M**
FINANCIAL INSTITUTIONS	Financial services	Provision of agricultural financial services to ASA and farmers, mostly those who are contracted by ASA for seed production.	Low profit	**L**

Stakeholders	Product/Service	Expectations	Potential impact if expectations not met	Priority ranking
ACADEMIC INSTITUTIONS	Improved seed Knowledge of the use of the improved seed	Research new seed technologies, Employment opportunities, Place for their student to conduct field practicals (seed farms)	Increase unemployment rate Graduate with little practical knowledge	**L**

3.1.9 Future Development Plan

The Agency will continue to increase the area of production, increase productivity, collaborating with private producers, capacity building to farmers on proper use of quality agricultural seed, continue assisting the Government in the formulation of sound policies that will stimulate production of quality seed in the country and continue advising the Government in creating a conducive environment for seed production in the Country.

This will be done within the framework of the Second Phase of the Agricultural Sector Development Programme (ASDP II). The objective of ASDP-II is to transform the agricultural sector (crops, livestock & fisheries) into a higher-productivity, commercialised sector with improved smallholder farmer incomes, ensuring improved livelihoods, food security, and nutrition.

The main goal is to produce 551 MT of basic seed and 8,752 MT of certified seed, and distribute them to seed multipliers and farmers at affordable prices. The objectives aim to ensure that the country's resources and opportunities are used effectively to build the industrial economy and reduce poverty.

In the financial year 2025/26, the Agency intends to implement various priorities to achieve the goal of increasing production and access to quality seed for farmers at affordable prices as follows:

i. Increase the production areas from 5,974.6ha to 6,135ha by June 2026
ii. Increase the production of quality seed from 13,217 tons to 15,000 tons by June 2026
iii. Increase productivity from (1-1.8) to (2-4) tons per hectare by June 2026
iv. Produce 8,000,000 palm and avocado seedlings by June 2026
v. Increase equipment and machinery by procuring four seed processing plants, 32 tractors and their implements and three combining harvesting.
vi. Increase the irrigation area to 3,595 hectares in ASA seed farms;
vii. Increase seed distribution to farmers.
viii. Encourage farmers to use quality seed by establishing 600 demonstration farms in various areas of the country by June 2026
ix. Strengthen IT systems in service delivery, management and monitoring of the Agency's activities and the storage of Agency data and information.
x. Improve the working environment and housing of staff by constructing staff houses, renovating houses, renovating offices and constructing an administrative building at ASA Headquarters
xi. Build the capacity of staff by providing training that will enhance performance and efficiency in service delivery and seed
xii. The Agency will work closely with the Sector Ministries, Private Sector, Development Partners, and Non - State Actors to ensure that the objectives of the identified ASA priority areas are achieved.

3.1.10 Employee Welfare

The Agency facilitates employees' social welfare by providing moral and material support, including medical care through the National Health Insurance Fund (NHIF), where both the employer and employee contribute 3% of gross salary; leave pay; retirement benefits; prizes for top performers; and other employment benefits.

Employees are also members of the PSSSF, with the Agency contributing 15% of each permanent employee's basic salary. In addition, staff receive training in HIV/AIDS, anti-corruption, and other professional and technical topics to perform their duties effectively.

The Agency has provided funeral assistance to employees who have lost their loved ones, in accordance with Public Service Standing Orders and ASA's Staff regulations.

3.1.11 Staff with Disability

The Agency assists employees with disabilities by creating a supportive working environment tailored to their circumstances. During the year, the Agency had two persons with disabilities. The Agency is committed to assisting individuals with disabilities accordingly.

3.1.12 Environmental Management

The Agency complies with the Environmental Management Act, 2004 (RE. 2025), the primary environmental law that establishes a framework for Environmental Impact Assessment (EIAs). The Agency typically conducts Environmental and Social Impact Assessments (ESIAs) for the implementation of its investment projects to minimise negative environmental impacts.

The Agency has developed an Integrated Pest Management Plan (IPMP) and a West Management Plan (WMP) that foster sustainable agricultural practices, safeguard ecosystems, and improve resource efficiency.

3.1.13 HIV/AIDS awareness

The Agency is strengthening HIV/AIDS awareness, advocacy, testing, and other intervention measures. During 2024/25, ASA conducted 1 HIV/AIDS awareness programme for all its staff. It is expected that there will be no new infections among the ASAs' staff.

3.1.14 Capacity Building

The Agency equips its staff with relevant managerial and operational competencies to enhance public service delivery. In 2024/25, 42 Agricultural Officers were trained in seed quality control, and 88 employees were trained in the principles of quality seed production.

In 132, Agricultural officers were trained in the production and management of improved seed. Others trained included human resources officers (3), Accountants (7), Procurement officers (3), ICT officers (1), and records management officers (5).

Medical Services

The Agency provides medical Insurance coverage through the National Health Insurance Fund (NHIF), which covers employees, spouses, and four dependents. The Agency also provides medical support to staff as needed.

3.1.15 Gender Parity

The Agency offers equal opportunities to all Tanzanians during recruitment and the filling of positions, provided they meet the required qualifications and abilities. The total number of employees as of 30 June 2025 was 300, up from 294 in the previous year. This was caused by staff transfer from other Government institutions. During the reporting period, 2 female employees held managerial positions, as shown in **Table 7** below.

Table 7: Gender Parity

Gender	2024/25	2023/24
Male	236	229
Female	64	65
Total	**300**	**294**

3.1.16 Relationship with stakeholders

The Agency continued to maintain good relationships with all stakeholders, including Ministries such as the Ministry of Agriculture and the Ministry of Finance and Planning, other Government bodies such as the Treasury Registrar, and Local Government Authorities (LGAs).

3.1.17 Key challenges and the way forward

Table .8 Challenges and the way forward

S/N	Challenge	Way forward
1.	Delay in the disbursement of the development fund	Early request for the development fund to facilitate production activities in a timely manner
2.	Insufficient allocation of development funds	Expand fund mobilisation from development partners
3.	Inadequate working tools such as seed distribution vehicles, field car motorcycles	Project proposal writing to secure more funds/assistance to facilitate the acquisition of working tools

S/N	Challenge	Way forward
4.	Dilapidated seed production infrastructures such as warehouses, tractors, processing plants, and farm houses	More efforts are underway through a project proposal to secure funding to improve seed production infrastructure.
5.	Climate change season across the country	Installation/improvement of irrigation systems in seed farms
6.	Low adoption rate of farmers on the use of improved seeds	Enhancing market strategies that create awareness among farmers, including the establishment of demo plots, market campaigns, and promotions.

3.1.18 Sustainability and Climate-Related Disclosure IFRS S1 and IFRS S2

The Agency (ASA), continues to integrate sustainability and climate-related practices into its seed production, processing, and distribution operations. The Agency is committed to promoting environmentally responsible operations that support national food security and sustainable agricultural development.

Governance

The Board of Directors provides oversight on environmental and climate-related issues through its Audit and Risk Committee. Management is responsible for implementing sustainability activities, monitoring risks, and reporting performance. Plans are underway to establish a Sustainability and Climate Coordination Unit to strengthen governance and reporting capacity.

Strategy

ASA's sustainability strategy focuses on ensuring continued seed production under changing climatic conditions. Key actions include promoting drought-tolerant, early-maturing seed varieties; improving irrigation systems; collaborating with research institutions; training farmers in sustainable practices; and adopting digital systems to reduce paper use and the carbon footprint.

Risk Management

The Agency identifies and manages climate-related risks, including unpredictable rainfall, pest outbreaks, land degradation, and fluctuations in energy costs. Risk mitigation measures include promoting conservation agriculture, developing a Sustainability and Climate Policy Framework, conducting annual climate risk assessments, and expanding the use of renewable energy (such as solar drying systems).

Metrics and Targets

ASA's operations generate greenhouse gas emissions primarily from fuel consumption (Scope 1) and purchased electricity (Scope 2). The total carbon emissions for the year ended 30th June 2025 were 1,685,898 kilograms of CO_2 equivalent (Kg CO_2e). ASA plans to begin tracking Scope 3 emissions, such as transportation and staff travel, from 2025/26.

ASA's emission reduction targets include cutting Scope 1 emissions by 10% by June 2026 through solar energy adoption, planting trees annually to offset carbon, and reducing paper use by 60% through digital transformation.

Compliance and Reporting

ASA adheres to national environmental regulations and reporting frameworks, including the Environmental Management Act (2004) and Sustainable Public Procurement Framework (2024).

4.0 Acknowledgement and appreciation

Agricultural Seed Agency would like to extend special appreciation to the Ministry of Agriculture and Ministerial Advisory Board (MAB) for their constant inspiration, support, and guidance. The Agency is also recognising the significant contributions of development partners and other stakeholders to the seed industry in Tanzania.

.... 30 Jan, 2026. ....

Mr Leo M. Mavika — Date

CHIEF EXECUTIVE OFFICER

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE 2025

Sect. 53(D) of the Public Finance Act No. Cap. 212 [R.E 2024] requires the Agency to prepare financial statements of the entity for each financial year at the end of the financial period that gives a true and fair view of the state of affairs of the entity for that period.

The Management confirms that suitable accounting policies have been applied consistently and that reasonable and prudent judgments and estimates have been made to prepare the financial statements for the year ended 30th June 2025. The management also confirms that the International Public Sector Accounting Standards (IPSAS) accrual basis has been applied and that the financial statements have been prepared on a going-concern basis.

The Management is responsible for maintaining proper accounting records that, at any time, disclose, with reasonable accuracy, the financial position of the Entity and enable them to ensure that the financial statements comply with the Public Finance Act, Cap. 348 [R.E 2024]. They are also responsible for safeguarding the Entity's assets and, accordingly, for taking reasonable steps to prevent and detect fraud, errors, and other irregularities.

This responsibility includes designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 No. 7 of 2011 and its Regulations, 2013, as amended in 2023.

In our opinion, the financial statements present fairly all material aspects of the entity's operations and will remain a going concern for the next twelve months from the date of these statements.

.... 30 Jan, 2026 ....

Mr Leo M. Mavika — Date

Chief Executive Officer

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
AGRICULTURAL SEED AGENCY

STATEMENT OF DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTS UNIT OF AGRICULTURAL SEED AGENCY.

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Accountants and Auditors (Registration) Act. No. 286 of 2023 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/Governing Body/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 applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body, as stated in the Directors' Responsibility statement on an earlier page.

I, **CPA David Johnson**, being the Accountant of the Agricultural Seed Agency (ASA), hereby acknowledge my responsibility of ensuring that financial statements of the entity for the year ended 30 June 2025 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and statutory requirements.

I, thus, confirm that the financial statements give a true and fair view of the position of Agricultural Seed Agency as on that date and that they have been prepared based on properly maintained financial records.

Signed by: David Johnson M.

Position: Ag. Chief Accountant

NBAA Membership No: ACPA 5188

Signature:..............................

Date: 30th January, 2026.

COMMENTARY ON THE FINANCIAL STATEMENTS

5.0 Analysis of the Statement of Financial Performance

5.1 Revenue

5.1.1 Revenue from Exchange Transaction

Revenue earned from sales of seed, grain, tender documents, and by-products during the year is TZS 8,439,866,266. The amount has increased compared to TZS 3,571,408,688 collected in 2023/24. The changes were attributed to increased seed production and sales, market strategies, improved irrigation infrastructure, and enhanced transport facilities for seed distribution.

5.1.2 Other Revenue

Other revenue includes amounts collected from land fees, machinery rentals, and house rentals, totalling TZS 478,693,100 for the year, compared to TZS 14,275,999 in 2023/24. The changes were attributed to the MUSE system's reclassification of revenue from land (Land Lease), which was previously included in revenue from exchange transactions. Comparative figures for 2023/24 have not been restated.

5.1.3 Subvention from Other Government Entities

In 2024/25, a total of TZS 17,434,251,456 was amortised. The amount was used to purchase agricultural inputs, seed, and other specialised materials amounting to TZS 9,845,322,905; to install a central pivot irrigation system valued at TZS 1,070,189,766; and to purchase seed and other agricultural inputs. However, there is a recognition of non-monetary assistance, which is mainly composed of eight (8) trucks for seed transportation and distribution, with a total value of TZS 2,662,440,773 and TZS 3,150,320,000 for employees' salaries. Furthermore, a total of TZS 303,443,537 was allocated by the donor for machines and equipment; TZS 292,606,320 for the rehabilitation of the staff house at ASA farms; TZS 36,108,000 for three (3) motorcycles; and TZS 23,560,000 for furniture.

5.1.4 Expenses

5.1.5 Wages, Salaries and Employee Benefits

Total wages, salaries, and Employee benefits for the financial year 2024/25 amounted to TZS 5,273,219,751, compared with TZS 4,848,534,843 for 2023/24. The increase was due to salary increments and promotions.

5.1.6 Supplies and Consumable Goods

Total expenditure on supplies and consumables for the financial year 2024/25 amounted to TZS 14,946,675,368, compared with TZS 13,370,019,133 for the year ended 30 June 2024. The increase is attributed to the Agency's operational costs in the production process, the hiring of motor vehicles for seed transportation, and purchases of seed, agricultural implements, and fertilisers during the year.

5.1.7 Routine Maintenance and Repairs

The total expenditure for routine maintenance and repairs in 2024/25 was TZS 601,744,385, compared with TZS 1,722,568,080 in 2023/24. The decrease was due to the use of the new trucks and the completion of the metal fence at the Msimba and Kilimi seed farms.

5.1.8 Other Expenses

Other expenses include audit fees, land fees, and other operating expenses, totalling TZS 285,692,591, compared with TZS 162,308,185 in the previous year. The difference is due to the reclassification of expenditure items.

5.1.9 Depreciation and Amortisation Expenses

During the year, the total depreciation amount was TZS 1,388,028,773 for property, plant and equipment. Depreciation expense increased from TZS 634,898,672 due to the addition of non-current assets during the year.

6.0 Analysis of the Statement of Financial Position

6.1.1 Cash and Cash Equivalent

Cash and Cash Equivalents include cash on hand and balances in bank accounts at the end of the period. Cash and cash equivalents as at 30 June 2025 amounted to TZS 834,330,750, while as at 30 June 2024, the balance was TZS 1,505,843,049, as shown in the cash flow statement.

6.1.2 Receivables

The receivable as of 30 June, 2025, amounted to TZS 366,108,546 compared to TZS 89,740,100 for the previous year ended 30 June, 2024. The amount for receivables includes TZS 100,559,000 for staff imprest and TZS 265,549,546 for other receivables after the impact of ECL application.

6.1.3 Prepayments

During the year, TZS 538,567,500 was prepaid for the purchase of three (3) motor vehicles, which were not delivered by the end of the year.

6.1.4 Inventories

Inventory decreased from TZS 718,837,435 for the financial year ended 30 June 2024 to TZS 516,041,300 for the financial year ended 30 June 2025. The decrease was due to increased sales and the issue of all consumable inventories to user departments before year-end.

6.1.5 Property, Plant, and Equipment (PPE)

The total carrying amount of PPE and WIP as at 30 June 2025 is TZS 40,253,978,510, compared with TZS 37,253,658,888 for the financial year ended 30 June 2024. The carrying value for depreciable assets is TZS 27,317,344,702, while the amount for WIP increased to TZS 12,936,633,809. The increase has been contributed by additional assets purchased, such as agricultural implements, centre-pivot infrastructure, motor vehicles, motorcycles, and computers. The Agency recognised non-monetary assets with a total value of TZS 3,318,158,630 received from AFDP and TAISP. This amount comprises eight (8) trucks for seed transportation and distribution valued at TZS 2,662,440,773; buildings valued at TZS 292,606,320; garage equipment valued at TZS 303,443,537; motorcycles for farm activities valued at TZS 36,108,000; and office furniture valued at TZS 23,560,000.

6.1.6 Payables

Payables Increased to TZS 2,380,984,264 at year-end, compared with TZS 1,975,476,250 in the previous year. The increase was due to delay of fund disbursement from the government to pay the outstanding debts.

7.0 Auditors

The Controller and Auditor General (CAG) is the statutory auditor for the Agricultural Seed Agency pursuant to Article 143 of the Constitution of the United Republic of Tanzania of 1977, Sections 26-37 of the Public Finance Act, Cap 348, and the Public Audit Act, Cap 418.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

		2024/2025	2023/2024
ASSETS	**Note**	**TZS**	**TZS**
Current Asset			
Cash and Cash Equivalents	62	834,330,750	1,505,843,049
Receivables	67	366,108,546	89,740,100
Prepayments	69	538,567,500	0
Inventories	70	516,041,300	718,837,435
Total Current Asset		**2,255,048,096**	**2,314,420,584**
Non-Current Asset			
Property, Plant and Equipment	77	27,317,344,701	25,387,214,845
Work In Progress	82	12,936,633,809	11,866,444,043
Total Non-Current Asset		**40,253,978,510**	**37,253,658,888**
TOTAL ASSETS		**42,509,026,606**	**39,568,079,472**
LIABILITIES			
Current Liabilities			
Payables and Accruals	89	2,380,984,264	1,975,476,250
Deferred Income	93	303,936,939	1,424,386,865
Deposits	94	176,914,072	37,498,797
TOTAL LIABILITIES		**2,861,835,275**	**3,437,361,912**
NET ASSETS		**39,647,191,331**	**36,130,717,560**
NET ASSETS			
Capital Contributed by:			
Taxpayers Funds		10,113,939,000	10,113,939,000
Accumulated Surpluses		29,533,252,331	26,016,778,560
TOTAL NET ASSETS		**39,647,191,331**	**36,130,717,560**

....	30 Jan, 2026	....
Ms. Mary Evarist Kipeja		Mr. Leo M. Mavika
Board Chairperson	**Date**	**Chief Executive Officer**

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
AGRICULTURAL SEED AGENCY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

		TZS 2024/2025	TZS 2023/2024
REVENUE	**Note**		
Revenue			
Revenue from Exchange Transactions	17	8,439,866,266	3,571,408,688
Other Revenue	31	478,693,100	14,275,999
Subvention from other Government entities	32	17,434,251,456	22,986,849,811
Reversal of ECL Receivable	24	0	931,923,844
TOTAL REVENUE		**26,352,810,822**	**27,504,458,342**
EXPENSES AND TRANSFERS			
Expenses			
Wages, Salaries and Employee Benefits	34	5,273,219,751	4,848,534,843
Use of Goods and Service	35	14,946,675,368	13,370,019,133
Maintenance Expenses	36	601,744,385	1,722,568,080
Other Expenses	52	285,692,591	162,308,185
ECL Expenses	53	240,976,183	5,985,109
Depreciation of PPE	77	1,388,028,773	634,898,672
Total Expenses		**22,736,337,051**	**20,744,314,022**
Transfer			
Other Transfers	**60**	100,000,000	20,000,000
Total Transfer		100,000,000	20,000,000
TOTAL EXPENSES AND TRANSFERS		**22,836,337,051**	**20,764,314,022**
Surplus		**3,516,473,771**	**6,740,144,320**

30 Jan, 2026

Ms. Mary Evarist Kipeja		Mr. Leo M. Mavika
Board Chairperson	**Date**	**Chief Executive Officer**

STATEMENT OF CHANGES IN NET ASSETS AND EQUITY FOR THE PERIOD ENDED 30 JUNE 2025

	Taxpayer's Fund	Accum. Surplus/(Deficit)	Total
		TZS	TZS
Opening Balance as at 01 Jul 2024	10,113,939,000	26,016,778,560	36,130,717,560
Surplus/ Deficit for the Year	0	3,516,473,771	3,516,473,771
Transfer of payable	0	0	0
Closing Balance as at 30 Jun 2025	**10,113,939,000**	**29,533,252,331**	**39,647,191,331**
Opening Balance as at 01 Jul 2023	10,113,939,000	19,276,634,240	29,390,775,240
Surplus/ Deficit for the Year	0	6,740,144,320	6,740,144,320
Closing Balance as at 30 Jun 2024- Restated	**10,113,939,000**	**26,016,778,560**	**36,130,717,560**

....	30 Jan, 2026	....
Ms Mary Evarist Kipeja		Mr Leo M. Mavika
Board Chairperson	**Date**	**Chief Executive Officer**

CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Note	2024/2025 TZS	2023/2024 TZS
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Subvention from other Government entities	32	10,965,772,831	20,022,335,305
Revenue from Exchange Transactions	17	8,065,875,145	4,498,669,432
Other Revenue	31	478,693,100	14,275,999
Increase in Deposit	94	139,415,276	37,498,797
Total Receipts		**19,649,756,352**	**24,572,779,533**
PAYMENTS			
Wages, Salaries and Employee Benefits	34	1,958,157,452	2,073,393,843
Use of Goods and Services	35	15,762,491,224	12,521,538,518
Other Transfers	60	100,000,000	20,000,000
Other Expenses	52	285,692,591	162,308,185
Maintenance Expenses	36	601,744,385	1,722,568,080
Total Payments		**18,708,085,652**	**16,499,808,626**
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES		**941,670,700**	**8,072,970,908**
CASH FLOW FROM INVESTING ACTIVITIES			
Investing Activities			
Payment for Work in Progress	77	(1,070,189,766)	(5,571,143,929)
Acquisition of Property, Plant and Equipment	77	(538,567,500)	(2,260,786,633)
Total Investing Activities		**(1,608,757,266)**	**(7,831,930,562)**
NET CASH FLOW (USED IN) INVESTING ACTIVITIES		**(1,608,757,266)**	**(7,831,930,562)**
Net cash Increase		**(667,086,566)**	**241,040,346**
Cash and Cash Equivalent at Beginning of Period		**1,515,023,043**	1,273,982,702
Cash and Cash Equivalent at End of Period		**847,936,477**	**1,515,023,048**

....	30 Jan, 2026	....
Ms. Mary Evarist Kipeja		Mr. Leo M. Mavika
Board Chairperson	Date	**Chief Executive Officer**

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
AGRICULTURAL SEED AGENCY

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

	Budgeted Amount				TZS
	Original Budget TZS	Reallocations/ Adjustments TZS	Final Budget (B) TZS	Actual Amount on Comparison Basis (A) TZS	Different Final Budget & Actual (B-A) TZS
RECEIPTS					
Subvention from Other Government Entities	46,411,307,760	0	46,411,307,760	10,965,772,831	35,445,534,929
Revenue from Exchange Transactions	10,318,115,694	0	10,318,115,694	8,065,875,145	2,252,240,549
Other Revenue	881,884,306	0	881,884,306	478,693,100	403,191,206
Increase in Deposit	0	0	0	139,415,276	(139,415,276)
Total Receipts	**57,611,307,760**	**0**	**57,611,307,760**	**19,649,756,352**	**37,961,551,408**
PAYMENTS					
Wages, Salaries and Employee Benefits	7,394,956,700	(71,804,395)	7,323,152,305	1,958,157,452	5,364,994,853
Use of Goods and Service	24,714,670,278	519,616,594	25,234,286,872	15,762,491,224	9,471,795,648
Other Transfers	266,910,375	0	266,910,375	100,000,000	166,910,375
Other Expenses	2,014,284,397	(54,315,999)	1,959,968,398	285,692,591	1,674,275,807
Maintenance Expenses	3,257,522,371	(130,500,000)	3,127,022,371	601,744,385	2,525,277,986
Grants and Transfers	4,076,140	0	4,076,140	0	4,076,140
Payment for Work in Progress	0	0	0	1,070,189,766	(1,070,189,766)
Acquisition of Property, Plant & Equipment	19,958,887,499	(258,092,200)	19,695,891,299	538,567,500	19,157,323,799
Total Payment	**57,611,307,760**	**0**	**57,611,307,760**	**20,316,842,918**	**37,294,464,842**
Net Receipts/Payments	**0**	**0**	**0**	**(667,086,566)**	**667,086,566**

Explanation of the Significant variances

1. Grants from Government and external assistance was not disbursed in the current year.

2. Own Source collection target was not reached because of low multiplication of seed due to non-release of development funds from the donor.

3. Low sales revenue due to low seed production, which was caused by excessive rain on some Agency farms.

4. The amount of wages and salaries does not include direct salaries paid from the treasury amounting to TZS 3,150,320,000.

5. The use of goods and services expenditure incurred depended on the available resources.

6. Acquisition of PPE was less because the development funds disbursed was not sufficient.

CASH FLOW RECONCILIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2024/2025	RESTATED 2023/ 2024
	TZS	TZS
Reconciliation of Cash Flow from Operating Activities		
Surplus from the period	3,516,473,771	6,740,144,320
Adjustment to reconcile net Surplus to:		
Depreciation of property and equipment	1,388,028,773	634,898,672
Subvention from other Government Entities	(3,318,158,625)	(565,504,864)
Unapplied Deposit Account	139,415,276	37,498,797
Deferred Income (Recurrent)	(1,120,449,926)	376,131,358
Inventories	202,796,135	1,163,706,515
Accounts Payable	405,508,014	(315,225,900)
Provision for ECL	4,425,729	5,985,109
Accounts Receivable	(276,368,446)	(4,663,100)
Net Cash Flow/(Cash Used)from Operating Activities	**941,670,701**	**8,072,970,908**

THE RECONCILIATION OF ACTUAL AMOUNTS ON A COMPARABLE BASIS BETWEEN THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AND THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

Particular	**Amount (TZS)**		
	Operating	**Investing**	**Total**
Actual amount on a comparable basis as presented in the budget and actual comparative statement	**18,708,085,652**	**1,608,757,266**	**20,316,842,918**
Basis differences	0	0	0
Timing differences	0	0	0
Entity differences	0	0	0
Actual amount in the cash flow statement	**18,708,085,652**	**1,608,757,266**	**20,316,842,918**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

8.0 GENERAL INFORMATION

The Agricultural Seed Agency was established under the Executive Agencies Act 30 of 1997 and became operational in June 2006. The agency operates as a semi-autonomous body within the Ministry of Agriculture and is responsible for ensuring improved seeds are available to farmers at affordable prices.

PRINCIPAL PLACE OF BUSINESS
AGRICULTURAL SEED AGENCY
Magodoro Street, Plot No. 50
P. O. Box 364,
MOROGORO

CHIEF EXECUTIVE OFFICER
Mr. Leo M. Mavika
P. O. Box 364,
MOROGORO

BANKERS
NMB Bank Plc,
P. O. Box 3416,
MOROGORO

BANK OF TANZANIA,
P. O. Box 2939,
DAR ES SALAAM

CRDB Bank Plc,
P. O. Box 150,
DAR ES SALAAM

National Bank of Commerce Limited,
P.O.BOX 631,
MOROGORO

AUDITOR
The Controller and Auditor General,
The National Audit Office,
AUDIT HOUSE,
4 UKAGUZI ROAD,
P. O. Box 950,
41104 TAMBUKA RELI,
DODOMA

LAWYERS
The Office of Attorney General,
Government City - Mtumba,
Attorney General Street,
P.O. Box 630,
DODOMA

8.1.1 STATEMENT OF COMPLIANCE BASIS OF PREPARATION

The entity's financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) on the accrual basis and comply with the Public Finance Act, Cap 348, and instructions issued by the Treasury for the year under review.

The financial statements are presented in Tanzanian Shillings (TZS), and all values are rounded to the nearest shilling.

8.1.2 AUTHORISATION OF FINANCIAL STATEMENTS

The authorized date for issuing Financial Statements to the Public is after the Controller and Auditor General have given their opinion and the report has been tabled in Parliament.

9.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted, which are consistent with those of previous years are shown below.

9.1.1 Functional and presentation currency

Items included in the entity's financial statements are measured using the primary economic environment in which it operates. The functional currency is Tanzanian Shillings, and the presentation currency is Tanzanian shillings. Thus, these financial statements are presented in Tanzanian Shillings.

9.1.2 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position include cash on hand and bank balances. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

9.1.3 Employee benefits

Employee benefits include salaries, pensions and other related employment costs. Employee benefits are recognized on an accrual basis. Contribution rates for employers and employees are detailed below:

No.	Name of the fund	Employer contribution	Employee contribution
1	Public Sector Social Security Fund (PSSSF)	15%	5%

Additionally, the Government operates an insured health, National Health Insurance Fund (NHIF) plan where contributions are made by the employer and employee, each contributing 3% of the gross salary of the respective employee. However, the Agency compensate other medical treatments that are not covered under NHIF to assist employees whenever necessary.

9.1.4 Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Entity and the revenue can be reliably measured.

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

9.1.5 Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

(i) The Entity has transferred to the buyer the significant risks and rewards of ownership of the goods.
(ii) The Entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
(iii) The amount of revenue can be measured reliably.
(iv) It is probable that the economic benefits associated with the transaction will flow to the entity; and
(v) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

9.1.6 Property, plant and equipment

Property, plant and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of any replacement parts in accordance with the related recognition criteria.

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 cost includes the cost of any major repair and replacement parts.

Depreciation

The Entity has adopted the straight-line method for depreciating its assets on the basis that the service provided is consistent throughout, and it results in a constant depreciation charge over the useful life of the assets, which is recognized in surplus or deficit of the statement of financial performance.

The residual values and useful life of property, plant and equipment are reviewed and adjusted if appropriate. This is in accordance with the directives of Accounting Circular No. 6, 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 useful lives listed below are consistently applied by the Entity in calculating depreciation effectively from the financial year 2024/25 after the issuing of Public Finance (Management of Public Property) Regulations through GOVERNMENT NOTICE NO. 373 published on 17/5/2024.

De-recognition

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

Depreciation is calculated on a straight-line basis over the assets' useful lives. The annual rates of depreciation that have been consistently applied are:

Table 9: Useful life of non-current assets

Description	Years
Administration assets	
Land	-
Buildings	50
Plant and machinery	15
Furniture and fixture	10
Office Equipment	10
Motor vehicles and Motor cycles	
Heavy duty (5 tons and above)	20
Light duty (below 5 tons)	10
Motorcycle	7
Computer (Desktops and laptops)	8
Infrastructural assets	
Other equipment (with purchase value > or = $50,000)	25
Water systems	25
Agriculture and livestock extension system	25
Boreholes (Above 200 meters)	50
Boreholes (0-200 meters) Hand pumped well	25
Wells (above 100 meters)	50
Wells (0-100 meters)	25
Large Dam Earth fill above 15 meters or above 1,000,000 cubic meters	30
Medium Dam Earth fill above 5 and below15 meters or above 250,000 and below 1,000,000 cubic meters	20
Small Dam Earth fill below 5 meters or 250,000 cubic meters	10

Financial Instruments Recognition

The Entity recognizes financial instruments when it becomes a party to the contractual provisions.

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 Amortized 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 Amortized cost

Financial Assets are subsequently measured at Amortized 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 amortized costs or fair values 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 Simplified approach to determine impairment of receivables. A loss allowance is calculated at each reporting date. However, the ECL model was updated in June 2023 to account for events 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 based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in the credit risk of the financial asset since initial recognition.

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

Inputs into the measurement of ECLs

The key inputs into measuring ECLs are the discounted product of probability of default (PD), loss given default (LGD), and exposure at default (EAD). The probability of Default (PD) used is based on the rates provided by Moody's Investors Services as

PD	Probability of Default
PD CRDB	2.16%
PD NBC	0.40%
PD NMB	2.16%

indicated in the tables below for each bank.

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 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 type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of 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 and adjusted for survival likelihood (i.e., the exposure has not been 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 within a portfolio from initial recognition through the loans' lifetimes. 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.

9.1.7 Related Party Transactions

Parties are related if one party can control the other or exercise significant influence over it in making financial and operating decisions. This includes relationships with subsidiaries, associates, joint ventures, and key Management personnel.

For the Agriculture Seed Agency, key management includes the Chairperson of the advisory board, Directors, and their close relatives. Some of the entity's transactions and arrangements are with related parties, and the effect of these on the basis determined between the parties is reflected in these financial statements.

9.1.8 Inventories

Inventories held for sale are stated at a lower cost or net realizable value. Inventories held for distribution at no charge or for a nominal charge are stated at the lower of cost and current replacement cost. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials - purchase cost on a first-in, first-out basis.
- Stationery and other consumables - cost is determined on a first-in-first-out basis.
- Finished goods - cost of direct materials and Labour and a proportion of manufacturing overheads based on normal capacity but excluding borrowing costs.
- Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

- Current replacement cost is the cost the entity would incur to acquire the asset on the reporting date.

9.1.9 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. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- Those are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

During the current financial year 2024/25, no events occurred after the reporting date.

9.1.10 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Entity's financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, as well as the disclosure of contingent liabilities at the reporting date.

However, uncertainty about these assumptions and estimates could lead to outcomes that require a material adjustment to the carrying amount of the affected asset or liability in the future.

9.1.11 Judgments

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

Determination of the useful lives of property, plant and equipment

Management assesses the useful lives of its non-current assets at the end of each accounting period. However, no changes came to our attention that affect the position of the financial statement during the year.

However, the Public Finance (Management of Public Property) Regulations 2024 require the useful life of assets to be amended to reflect the regulations, and this has been incorporated into this financial statement.

9.1.12 Estimates and assumptions

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

9.1.13 CHANGE IN ACCOUNTING POLICIES

The introduction of IPSAS 41 substantially modifies IPSAS 29 by adopting a principles-based classification model and a forward-looking expected credit loss model for classifying financial assets and liabilities.

9.1.14 THE IMPACT OF CHANGE IN ACCOUNTING POLICY

The impact of introducing IPSAS 41 is the emergence of Expected credit loss/gain in the Financial Statements, as different Cash and Cash Equivalent figures are reported in the Statement of Financial Position and the Statement of Cash Flows, with Exposure at Default (EAD) (Balance) at the end of the financial year.

Nevertheless, the introduction of the Public Finance (Management of Public Property) Regulations (CAP. 348 of 2024) resulted in a material adjustment to the carrying amount of the non-current asset.

9.1.15 RISK MANAGEMENT

The Agricultural Seed Agency (ASA), like many organizations in the agricultural sector, operates in an environment that is full of uncertainties and challenges. As a Government Agency responsible for producing, processing, and distributing quality seeds in Tanzania, it is highly exposed to both internal and external risks. These risks can arise from natural factors, market dynamics, financial limitations, and policy changes. Understanding these risks is critical because they directly affect the agency's ability to deliver high-quality seeds to farmers and support national food security. Below are some of the key risks that ASA is likely to face in its operations.

No.	Risk Title	Causes	Consequence	Mitigation
1.	Drought Risk	Insufficient rainfall	Reduced agricultural production and productivity	Promote irrigation farming, invest in irrigation schemes, encourage the cultivation of drought-resistant crops, harvest rainwater, and ensure seed production during drought.
2.	Flood Risk	Floods destroy crops, cultivated	Hunger, displacement, and destruction of cultivated land	Establish a strategic seed reserve and conserve biodiversity, crop, and native species in National Seed Banks

No.	Risk Title	Causes	Consequence	Mitigation
		lands, and settlements		through TARI and the seed sector.
3.	Pest Risk	Pests such as rodents, locusts, and Quelea quelea destroy crops before harvest.	Loss of food and cash crops, reduced seed availability	Implement Integrated Pest Management (IPM) and pest control practices across all seed farms to reduce the risk of seed loss due to crop damage.
4.	Market Risk	Unpredictable crop markets, low market prices, and reduced purchasing power of farmers	Farmers abandon crops due to low prices, lower productivity, and risks to agricultural development.	Conduct strong market analysis of grain demand over three consecutive years, produce seeds based on demand, and focus on irrigation-supported production.
5.	Price Fluctuation Risk	Changes in global agricultural commodity prices	High prices encourage exports, while low prices discourage production and cause potential losses.	Monitor global market trends, support price-stabilisation mechanisms, and ensure adaptive strategies for both high- and low-price scenarios.
6.	Post-Harvest Loss Risk	Limited transmission of post-harvest technologies to farmers and rural populations	Increased post-harvest losses, reduced food availability, and food insecurity	Establish standard operating procedures (SOPs) to treat seeds, reduce pests, and improve seed processing to minimise post-harvest losses.
7.	Human Resource Risk	Retiring employees without proper replacement, or long-term acting roles in managerial positions	Affects agency performance, decision-making, and technical capacity	Recruit new staff to replace retired employees, encourage Ministerial transfers, and fast-track confirmation of acting managerial personnel to improve performance and decision-making.

9.1.16 STATEMENT OF RELATED PARTY TRANSACTION

9.1.16.1 Key management personnel remuneration

Table No.10: Key management personnel remuneration

Category	TZS
Gross Salaries	265,500,000
Other remunerations	258,000,000

For the Agricultural Seed Agency, key Personnel include the Chief Executive Officer, Directors, and Managers. There has been an acting managerial position for more than six (6) months.

The Agency advises the government to fasten the confirmation process. The long-term tenure of managerial personnel affects the Agency's performance and decision-making.

9.1.17 Employees

The number of employees at the end of 2024/25 was 300, up from 294 at the end of 2023/24. The difference is due to new recruitments and transfers during the year.

9.1.18 CAPITAL MANAGEMENT

The Entity's capital is its equity, which comprises taxpayers' funds, accumulated surplus/deficit, and taxpayers' funds. Equity is represented by net assets.

The objective of managing these items is to achieve sustainable equity, which is a principle promoted in the Act and applied by the Entity. Sustainability of equity requires today's ratepayers to meet the costs of utilizing the Entity's assets and not expect them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Entity has asset management plans for major asset classes that detail renewal and maintenance programs, ensuring that future generations of ratepayers are not required to bear the costs of deferred renewals and maintenance.

9.1.19 SERVICE IN KIND

The agency did not receive any in-kind services during the year under review.

9.1.20 EVENTS AFTER REPORTING DATE

No events occurred after the reporting date.

9.1.21 CONTINGENT LIABILITIES

The Agency has no legal obligation as of 30 June 2025; all pending legal cases in the previous year were settled with no obligation to the entity.

9.1.22 COMPARATIVE FIGURES

Previous-year balances regrouped as appropriate for comparison.

9.1.23 GOVERNMENT CONTRIBUTION

During the year, the Agency distributed a total of 849.13 tons of wheat to the society as part of ASA's Corporate Social Responsibility program, aiming to promote the use of quality seed, especially for National priority crops.

	2024/2025 TZS	2023/2024 TZS
17 - Revenue from Exchange Transactions		
Sales of Seed	8,199,033,666	3,058,584,688
Sales of Grain	236,211,800	359,926,200
Sales of by-products	4,020,800	5,287,800
House rent	0	3,010,000
Land Lease	0	144,600,000
Tender Documents	600,000	0
	8,439,866,266	**3,571,408,688**
Add: Receivables recovery during the year	128,108,879	975,260,744
Less: Receivables for the year	(502,100,000)	(48,000,000
Actual Collection (CF)	**8,065,875,145**	**4,498,669,432**
31 - Other Revenue		
House rent	51,693,100	0
Land Lease	427,000,000	0
Miscellaneous Receipts	0	13,375,999
Tender Documents	0	900,000
	478,693,100	**14,275,999**
32 - Subvention from other Government entities		
Government Grant Subv. Capital	1,637,197,566	20,022,335,305
Subvention - Capital Local	8,208,125,339	-
Add: Opening Deferred Income	1,424,386,865	1,048,255,507
Less: Closing Deferred Income	(303,936,939)	(1,424,386,865)
Total Cash Received (CF)	**10,965,772,831**	**20,022,335,305**
Less: Closing balance		-
Add: non-cash revenue		
Government Grant - PE	3,150,320,000	2,775,141,000
Non-Monetary Revenue	3,318,158,625	565,504,864
Amortized amount (SoFP)	**17,434,251,456**	**22,986,849,811**
34 - Wages, Salaries and Employee Benefits		
Casual Labour	1,676,584,315	1,387,233,270
Civil Servants	3,150,320,000	2,762,342,600
Court Attire Allowance	0	1,000,000
Telephone	26,420,000	9,735,657
Electricity	32,920,886	37,771,185
Extra-Duty	189,390,000	99,150,000

Furniture	24,000,000	-
Honoraria	1,000,000	5,400,000
Housing Allowance	42,000,000	32,920,000
Leave Travel	7,837,000	15,909,000
Medical and Dental Refunds	0	616,000
Moving Expenses	45,000,000	62,075,500
Non-Civil Servant Contracts	-	265,032,631
Outfit Allowance	352,550	-
Subsistence Allowance	4,900,000	20,179,000
Sitting Allowance	72,495,000	149,170,000
Total Expenditure for the year (SoFP)	**5,273,219,751**	**4,848,534,843**
Less: Non-monetary Exp.		
Personal Emoluments	3,315,062,299	2,775,141,000
Total Cash paid (CF)	**1,958,157,452**	**2,073,393,843**

35 - Use of Goods and Services

Advertisement and Publications	90,065,251	98,004,200
Agricultural Chemicals	1,048,650,933	541,365,893
Air Travel Tickets Training - Domestic	22,694,274	16,286,400
Air Travel Tickets Training - Foreign	2,430,420	0
Cleaning Supplies	1,800,000	32,567,400
Computer Software	1,500,000	-
Computer Supplies and Accessories	53,147,860	1,168,200
Conference Facility	50,120,900	61,184,000
Diesel	1,718,053,818	1,578,823,527
Electricity	106,534,731	32,928,343
Exhibition, Festivals and Celebrations	60,525,000	8,050,002
Fertilizer	1,030,043,196	648,042,976
Food and Refreshment	92,833,000	82,048,501
Fumigation	6,600,000	18,900,000
Gift and Prizes	9,000,000	10,320,000
Ground Transport	98,315,331	97,876,900
Inspection Fees	62,948,500	110,240,000
Internet and Email Connections	1,661,280	10,517,117
Office Consumables	129,629,637	174,725,788
Outsourcing Costs	460,164,998	270,678,399
Packaging and Packaging Materials	50,033,460	0
Per Diem - Domestic	1,902,910,000	1,801,596,697
Per Diem - Foreign	55,090,000	1,850,000
Posts and Telegraphs	723,000	2,912,000
Printing Materials	4,700,000	11,590,000
Rent - Office Accommodation	34,836,000	9,156,000
Rent of Vehicle and Crafts	2,115,775,598	1,833,371,289
Seed	5,291,679,554	5,199,287,370

Special Uniform and Clothing	0	3,425,000
Technical Materials	388976139	567,762,650
Technical Service Fees	3,950,000	32,567,350
Protective Clothing and footwear	16,559,256	22,160,400
Subscription Fee	11,738,622	38,778,937
Entertainment	0	4,000,000
Lubricants	0	17,072,883
Tuition Fees	12,120,000	11,200,000
Water Charges	10,864,610	19,560,911
Total payment (SoFP)	**14,946,675,368**	**13,370,019,133**
Change in payables	1,018,611,991	315,225,900
Change in inventory	(202,796,135)	(1,163,706,515)
Total use of good (CF)	**15,762,491,224**	**12,521,538,518**
36 - Maintenance Expenses		
Cement, Bricks and Building Materials	130,941,154	534,253,967
Metal Fence and Posts	0	360,663,308
Outsource maintenance services	10,779,325	55,414,032
Electrical and cabling materials	19,013,436	24,528,232
Small Tools and Implements	18,577,436	69,865,000
Spare Parts	98,510,705	93,949,950
Tires and Batteries	66,751,467	9,855,087
Motor Vehicles and Watercraft	257,170,862	574,038,504
Actual payment	**601,744,385**	**1,722,568,080**
52 - Other Expenses		
Audit fees	35,000,000	35,000,000
Bad and Doubtful expenses	0	87,575,564
Burial Expenses	4,400,000	5,600,000
Directors Fee	18,000,000	0
Consultancy Fees	13,480,000	0
Facilitation Fee	8,800,000	0
Legal fees	0	500,000
Packaging Materials	68,000,000	0
Sticker Charges	60,401,000	0
Specialized Equipment	38,402,461	0
Sundry Expenses	39,209,130	33,632,621
Actual payment	**285,692,591**	**162,308,185**
53 - ECL Expenses		
ECL Receivables	236,550,454	
ECL for cash	4,425,729	5,985,109
	240,976,183	**5,985,109**
60 - Other Transfers		

Contribution to CF	100,000,000	20,000,000
	100,000,000	**20,000,000**
62 - Cash and Cash Equivalents		
BoT Own source Collection Account	365,953,300	1,052,224,319
Own source Collection - CRDB	0	600,000
CRDB Expenditure Account	304,994,105	424,399,932
Unapplied Cash Account	176,989,072	37,798,797
	847,936,477	**1,515,023,048**
Provision for ECL	(13,605,727)	(5,985,109)
Adjusted Balance	**834,330,750**	**1,505,843,049**
67. Receivables		
Other receivables	2,233,342,750	1,731,242,751
Provision for ECL - Short Term	(1,967,793,205)	
Staff advances and imprest	100,559,000	89,740,100
Adjusted Balance	**366,108,546**	**89,740,100**
69. Prepayments		
Prepayments Assets - Monetary	538,567,500	**0**
	538,567,500	**0**
70 - Inventories		
Seed	394,754,600	718,837,435
Agricultural Chemical	121,286,700	**0**
	516,041,300	**718,837,435**
89 Payables and Accruals		
Supplies and consumables	2,380,984,264	1,975,476,250
	2,380,984,264	**1,975,476,250**
93 Deferred Income		
Opening deferred	1,424,386,865	
Grants received during the year	16,313,801,530	23,250,295,344
Amortized Grants	(17,434,251,456)	(22,874,163,986)
Closing Deferred capita grant	**303,936,939**	**1,424,386,865**
94 - Deposits		
Unapplied Deposit Account Addition	176,914,072	37,498,797
	176,914,072	**37,498,797**

Note 77: Non-Current Assets as at 30 June 2025

S/N	TYPE OF PROPERTY	COST	ADDITIONAL			BALANCE AS AT 30TH JUNE, 2025	ACCUMULATED DEPRECIATION	DEPRECIATION DURING THE YEAR	BALANCE AS AT 30TH JUNE, 2025	CARRYING VALUE
			MONETARY	NON-MONETARY	TRANSFER					
1	Buildings	6,690,320,069	-	292,606,320	-	6,982,926,389	1,835,349,809	122,200,833	1,957,550,642	5,025,375,747
2	Equipment and Machine	515,643,161	-	79,258,000	-	594,901,161	360,652,660	19,477,049	380,129,709	214,771,452
3	Fittings and Fixtures	164,060,759	-	23,560,000	-	187,620,759	122,247,265	3,044,592	125,291,857	62,328,902
4	Agr& Livestock Systems	9,212,443,579	-	-	-	9,212,443,579	3,244,796,203	247,555,775	3,492,351,978	5,720,091,601
5	Lands	8,868,574,000	-	-	-	8,868,574,000	-	-	-	8,868,574,000
6	Plant & Machine	10,524,302,224	-	224,185,537	-	10,748,487,761	5,282,875,481	904,647,701	6,187,523,182	4,560,964,579
7	Motor Cycles	214,743,370	-	36,108,000	-	250,851,370	166,077,333	31,073,386	197,150,719	53,700,651
8	Motor Vehicles	1,615,252,803	-	2,662,440,773	-	4,277,693,576	1,406,126,371	60,029,435	1,466,155,806	2,811,537,770
	TOTAL	37,805,339,965	-	3,318,158,630	-	41,123,498,595	12,418,125,122	1,388,028,771	13,806,153,893	27,317,344,702

Non-Current Assets as at 30 June 2024

S/N	TYPE OF PROPERTY	COST	ADDITIONAL		BALANCE AS AT 30TH JUNE, 2024	ACCUMULATED DEPRECIATION	DEPRECIATION DURING THE YEAR	BALANCE AS AT 30TH JUNE, 2024	CARRYING VALUE
			MONETARY	NON-MONETARY					
1	Land	8,868,574,000			8,868,574,000	0	0	0	8,868,574,000
2	Buildings	6,690,320,069	0	0	6,690,320,069	1,732,274,961	111,946,088	1,844,221,049	4,846,099,020
3	Motor Vehicles	1,070,317,939	0	544,934,864	1,615,252,803	822,101,588	38,267,921	860,369,509	754,883,294
4	Motor Cycles	204,823,370	0	9,920,000	214,743,370	187,251,566	3,472,196	190,723,762	24,019,608
5	Plant & Machine	8,346,557,591	2,177,744,633	0	10,524,302,224	5,648,302,046	180,330,297	5,828,632,343	4,695,669,881
6	Furniture	143,568,759	9,842,000	10,650,000	164,060,759	116,248,345	3,041,840	119,290,185	44,770,574
7	Equipment and Machine	442,443,161	73,200,000	0	515,643,161	342,437,322	12,301,178	354,738,500	160,904,661
8	Irrigation System	9,212,443,579	0	0	9,212,443,579	2,934,610,620	285,539,152	3,220,149,772	5,992,293,807
	Sub Total	34,979,048,468	2,260,786,633	565,504,864	37,805,339,965	11,783,226,448	634,898,672	12,418,125,120	25,387,214,845
	WIP	6,295,300,114	5,571,143,929	0	11,866,444,043	0	0	0	11,866,444,043
	Grand Total	41,274,348,582	7,831,930,562	565,504,864	49,671,784,008	11,783,226,448	634,898,672	12,418,125,120	37,253,658,888

Note 82: Work in Progress as at 30 June 2025

S/N	TYPE OF PROPERTY	COST	ADDITIONAL	BALANCE AS AT 30TH JUNE, 2025	CARRYING VALUE
			MONETARY		
1	Irrigation System	11,100,374,100	1,070,189,766	12,170,563,866	12,170,563,866
2	Warehouse-Mwele	490,179,792	0	490,179,792	490,179,792
3	Warehouse Kilangali	275,890,151	0	275,890,151	275,890,151
	Total	11,866,444,043	1,070,189,766	12,936,633,809	12,936,633,809

Note 89: Aging Analysis Payables

PAYABLES AGING ANALYSIS 2024_25

	Total	Up To 1 Month	1 - 3 Months	3 - 12 Months	Above 1 year
Supplies and consumables	2,380,984,264	169,500,000	411,409,459	275,954,800	1,524,120,005
Total	**2,380,984,264**	**169,500,000**	**411,409,459**	**275,954,800**	**1,524,120,005**

PAYABLES AGING ANALYSIS 2023_24

	Total	Up To 1 Month	1 - 3 Months	3 - 12 Months	Above 1 year
Supplies and consumables	1,975,476,250	156,500,000	256,852,000	1,095,566,567	466,557,683
Total	**1,975,476,250**	**156,500,000**	**256,852,000**	**1,095,566,567**	**466,557,683**

Note 67: Aging analysis Receivables

RECEIVABLES AGING ANALYSIS 2024_2025					
	Total	Up To 1 Month	1 - 3 Months	3 - 12 Months	Above 1 year
Receivables from Exchange transaction	2,233,342,750	-	500,000,000	2,100,000	1,731,242,750
Other receivables (Imp rest)	100,559,000		100,559,000	-	-
Total	**2,333,901,750**	**0**	**600,559,000**	**2,100,000**	**1,731,242,750**

RECEIVABLES AGING ANALYSIS 2023_2024					
		Up To 1 Month	1 - 3 Months	3 - 12 Months	Above 1 year
Receivables from Exchange transaction	1,731,242,751	-	-	48,000,000	1,683,242,751
Other receivables (Imp rest)	89,740,100		89,740,100	-	-
Total	**1,820,982,851**	**0**	**89,740,100**	**0**	**1,731,242,751**

ECL Workings:

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**
0-30 Days	2,100,000	471,490.63	2,100,000	2,100,000	989,357
31-60 Days	-	-	-	-	-
61-90 Days	-	-	-	-	-
91-120 Days	-	-	-	-	-
121-150 Days	500,000,000	112,259,673.84	500,000,000.00	500,000,000.00	235,561,098
151-180 Days	-	-	-	-	-
181-210 Days	-	-	-	-	-
211-240 Days	-	-	-	-	-
241-270 Days	-	-	-	-	-
271-300 Days	-	-	-	-	-
301-330 Days	-	-	-	-	-
331-365 Days	-	-	-	-	-
Above 365 Days	1,731,242,751	1,731,242,751.00	1,731,242,751.00	1,731,242,751.00	1,731,242,751
Total	**2,233,342,751**	**1,843,973,915**	**2,233,342,751**	**2,233,342,751**	**1,967,793,205**

ECL-CASH FOR 2024/25

The table below illustrates the calculation of Expected Credit Losses (ECL) for cash balances held at banks.

Account identifier	Bank Name	Rating Agency	Cash Balance (EAD)	PD as per Bank Rating (%)	LGD (%)	ECL	Carrying Amount
01J1029386200	CRDB	Moody's	**481,983,178**	2.16%	100%	10,410,837	471,572,341.23
					TOTA ECL	10,410,837	

ECL Summary

The movement in the allowance for Expected Credit Losses is summarised below:

RECEIVABLES	Amount
PREVIOUS YEAR ECL PROVISION	1,731,242,751
CURRENT YEAR PROVISION	1,967,793,205
INCREASE IN PROVISION (TO BE EXPENSED)	**236,550,454**
CASH	
PREVIOUS YEAR ECL PROVISION	5,985,108
CURRENT YEAR PROVISION	10,410,837
INCREASE IN PROVISION (TO BE EXPENSED)	**4,425,729**
TOTAL ECL EXPENSE DURING THE YEAR	**240,976,183**