



THE UNITED REPUBLIC OF TANZANIA  
NATIONAL AUDIT OFFICE



TANZANIA LIVESTOCK RESEARCH INSTITUTE (TALIRI)

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

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March 2025

AR/CG/TALIRI/2023/24

## About the National Audit Office

### Mandate

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



### Independence and objectivity

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

### Teamwork Spirit

We value and work together with internal and external stakeholders.

### Results-Oriented

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



### Professional competence

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

### Integrity

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

### Creativity and Innovation

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

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## Abbreviations

|        |                                                      |
|--------|------------------------------------------------------|
| AR     | Audit Report                                         |
| CAG    | Controller and Auditor General                       |
| CG     | Central Government                                   |
| CPA    | Certified Public Accountant                          |
| IPSAS  | International Public Sector Accounting Standards     |
| ISSAIs | International Standard of Supreme Audit Institutions |
| NBAA   | National Board of Accountants and Auditors           |
| PAR    | Public Audit Regulation                              |
| PPA    | Public Procurement Act                               |
| PPR    | Public Procurement Regulations                       |
| TALIRI | Tanzania Livestock Research Institute                |

## **1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL**

Accounting Officer,  
Tanzania Livestock Research Institute (TALIRI),  
P.O. Box 834,  
Dodoma

### **1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

#### **Unqualified Opinion**

I have audited the financial statements of Tanzania Livestock Research Institute, which comprise the statement of financial position as at 30 June 2024, the statement of financial performance, the statement of changes in net assets, the 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 Tanzania Livestock Research Institute as at 30 June 2024, and its financial performance and its cash flows for the year that ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and 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 Tanzania Livestock Research Institute by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

#### **Key Audit Matters**

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

#### **Other Information**

Management is responsible for the other information. The other information comprises the Director's Report, statement of management responsibility, and Declaration by the Head of

Finance, but does not include the revenue statements and my audit report thereon which I obtained before the date of this auditor's report.

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

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

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

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances but not to express 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 Financial Year 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 in the Financial Year 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 determined those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, 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 Financial Year myself that the accounts have been prepared by the appropriate accounting standards.

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

## 1.2 REPORT ON COMPLIANCE WITH LEGISLATION

### 1.2.1 Compliance with the Public Procurement Laws

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

I performed a compliance audit on the procurement of works, goods, and services in the Tanzania Livestock Research Institute for the financial year 2023/24 as per the Public Procurement laws.

#### Conclusion

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

### 1.2.2 Compliance with the Budget Act and other Budget Guidelines

**Subject matter:** Budget formulation and execution

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

#### Conclusion

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

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

March 2025



THE UNITED REPUBLIC OF TANZANIA

MINISTRY OF LIVESTOCK AND FISHERIES

TANZANIA LIVESTOCK RESEARCH INSTITUTE (TALIRI)

REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS

- iii. **Courtesy:** creating a friendly environment and high attention to the client's expectations.
- iv. **Accountability and Responsibility:** Obligation to perform duties as per set-up rules and regulations.
- v. **Customer needs-driven:** Offering services by prioritizing customer needs.
- vi. **Result Oriented:** Endeavour to fulfill the expected goals in the aspect of duties and responsibility
- vii. **Transparency:** Openness in TALIRI activities;

**1.3 TALIRI STRATEGY**

The strategy of the Institute is not only to address livestock production research and development issues raised in various policies but also to focus on objectives contained in the TALIRI Medium Term Strategic Plan (MTSP) of 2021/22 to 2025/26. TALIRI strives to ensure that those rolling objectives are attained and measured in emerging situations.

Therefore, in collaboration with national and international institutions and other stakeholders such as MLF, IFAD, COSTECH, PASS, ILIRI, AU-IBAR, CIAT, University of Illinois (UI), Sokoine University of Agriculture (SUA), and farmers, TALIRI carries out research and development activities whose general objective is to improve production and productivity and eventually improve food and nutritional security and incomes of individual livestock keepers and other stakeholders.

In this framework, the Institute allocated and utilized human and financial resources that were available during the financial year 2023/24 and expects to continue doing so in the future. Given this, I would like to thank TALIRI Management and all staff for working hard to implement various activities to achieve the Institution's goals.

Special thanks are given to the Government through the Ministry of Livestock and Fisheries and other research partners for the Institute's financial, material, and moral support. In addition, I wish to thank members of the TALIRI Board for their valuable intellectual input and advice throughout the year 2023/24.

The TALIRI Board confirms that the International Public Sector Accounting Standards (IPSAS) have been adhered to. The Financial Statements have been prepared on a going concern basis and following Tanzania Financial Reporting Standard 1 (TFRS 1).



Prof. Sebastian Chenyambuga  
CHAIRPERSON

13.03.2025

Date

**STATEMENT OF THE DIRECTOR GENERAL FOR THE YEAR ENDED 30 June 2024**

**2.0 INTRODUCTION AND OVERVIEW**

I am presenting the financial statements of the Tanzania Livestock Research Institute for the financial year ending 30 June 2024. These financial statements have been prepared by Section 30 (2) of the Public Finance Act, CAP 348, and presented based on the Accrual basis of International Public Sector Accounting Standards (IPSAS). Additional information has been included under the Tanzania Financial Reporting Standard (TFRS) No. 1 issued by the National Board of Accountants and Auditors (NBAA) to increase clarity and reader's understanding.

**2.1 NATURE OF REPORTING ENTITY**

Tanzania Livestock Research Institute (TALIRI) is a corporate body established by Parliamentary Act No. 4 of 2012, under Government Notice No. 30, Volume 93, dated 27th July 2012. The Institute aims to implement livestock research priorities, guide and regulate research activities, promote technology development, reward outstanding researchers, protect innovations through patents and intellectual property rights, strengthen linkages among Livestock research organizations, enhance institutional capacities, and strengthen linkages between research, training, and extension. TALIRI comprises eight research centres: Mpwapwa, Mabuki, Kongwa, Naliendele, Tanga, Uyole, West Kilimanjaro, and Nsimbo. These centers are situated in various agro-ecological zones.

**2.2 PRINCIPAL ACTIVITIES**

In collaboration with the national and international institutions and other stakeholders such as the Government of the United Republic of Tanzania, MLF, IFAD, COSTECH, PASS, ILRI, AU-IBAR, CIAT farmers, TEAGASC (Ireland), TALIRI's statutory mandate is to carry out research and development activities. These activities aim to improve livestock production and productivity, ultimately enhancing food and nutritional security and the incomes of individual livestock keepers and other stakeholders.

The Institute's strategy addresses the livestock production research and development issues raised in various policies and focuses on the objectives outlined in the TALIRI Medium Term Strategic Plan (MTSP) for 2021/22 to 2025/26.

TALIRI strives to ensure that these rolling objectives are attained and measured in emerging situations...

**2.3 REGULATORY ENVIRONMENT IN WHICH THE ENTITY OPERATES**

TALIRI was established as a corporate body with perpetual succession and a common seal and, in its corporate name, be capable of suing and being sued. It was established under section 4 of Tanzania Livestock Research Institute (TALIRI) Act No. 4 of 2012, under Government Notice No. 30, Volume 93, dated 27th July 2012.

TALIRI is a Tanzania government institute that conducts research on livestock, including breeding, production, processing, storage, rangeland resource management, marketing, and

health, and coordinates research, sets priorities, and provides policy guidance in Tanzania Mainland.

## 2.4 OBJECTIVES AND STRATEGIES

During the Financial Year 2023/24 TALIRI continued to implement its revised Corporate Strategic Plan (CSP), which has five overarching Objectives, namely:

**Objective A:** HIV/AIDS infections are reduced, and supportive services improved for staff living with HIV/AIDS, staff with disability, and gender issues observed;

**Objective B:** Effective implementation of National Anti-Corruption Strategy enhanced and sustained;

**Objective C:** Technology development and dissemination enhanced;

**Objective D:** Research planning, coordination, communication, and networking strengthened;

**Objective E:** Institutional capacity to deliver services strengthened

## 2.5 KEY PERFORMANCE INDICATOR

TALIRI Key Performance Indicators (KPIs) are reported based on the implementation of the annual Plan and Budget derived from the Strategic Plan (2021/22-2025/26). The Key Performance Indicator gives a comprehensive insight into performance across critical areas. The KPIs are prepared to serve as the dynamic dashboard of measurable metrics revealing the extent to which strategic objectives are being met.

The KPIs for the year ended 30 June 2024 are given in Table 1.

TALIRI Key Performance Indicators (KPIs) are reported based on the implementation of the annual Plan and Budget derived from the Strategic Plan (2021/22-2025/26). The Key Performance Indicator gives a comprehensive insight into performance across critical areas. The KPIs are prepared to serve as the dynamic dashboard of measurable metrics revealing the extent to which strategic objectives are being met. The KPIs for the year ended 30 June 2024 are given in Table 1.

**Table 1. Key Performance Indicator**

| Target Description                                                                                                                                                     | KPI                                                                                  | Achievement                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective A:</b> HIV/AIDS infections are reduced and supportive services improved for staff living with HIV/AIDS, staff with disability, and gender issues observed |                                                                                      |                                                                                                                                |
| All TALIRI staff sensitized on HIV/AIDS June 2024                                                                                                                      | Number of staff sensitized and advocated for Voluntary Counselling and Testing (VCT) | a) 185 (79%) staff were sensitized on Voluntary Counselling and Testing (VCT) in collaboration with other related stakeholders |

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|                                                                                                          |                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| All TALIRI staff sensitized on disability issues by June 2024                                            | Number of sensitizing meetings conducted                                                                                                                              | Awareness meetings and physical exercises were conducted among staff, including 3 joint route matches.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| All TALIRI Staff sensitized on gender issues by June 2024                                                | Number of staff supported                                                                                                                                             | 235 staff has a heightened understanding of gender issues, including equality, diversity, and inclusion.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Objective B: Effective Implementation of National Anti-Corruption Strategy enhanced and sustained</b> |                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Awareness and sensitization meetings conducted at TALIRI by June 2024                                    | Number of sensitizing and awareness meetings conducted                                                                                                                | TALIRI conducted eight awareness and sensitization meetings at its centres on the objectives of the National Anti-Corruption Strategy, enhancing understanding and commitment to anti-corruption practices among staff.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Objective C: Technology development and dissemination enhanced</b>                                    |                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Ten (10) technologies for increasing the productivity of livestock developed and tested by June 2024     | <ol style="list-style-type: none"> <li>1. Increased Livestock Yield</li> <li>2. Number of technologies developed</li> <li>3. Number of technologies tested</li> </ol> | <ol style="list-style-type: none"> <li>1. TALIRI produced 107 of the dual-purpose Mpwapwa cattle breed and distributed 43 (males, heifers, and females) to stakeholders in various regions. Their fast growth rates and productivity increase the demand for these animals.</li> <li>2. Enriched the Mpwapwa Breed with Danish Red cattle blood and improved milk production to an average of 15 liters daily and 250 kg of meat.</li> <li>3. Six cattle breeding programs involved the development and evaluation of local and exotic breeds: Sahiwal X Mpwapwa X Boran (SMB) cattle; Beef Master X Boran cattle; Danish Red X Mpwapwa cattle; Danish Red bulls; Bonsmara cattle; transfer of Bonsmara embryos using Mpwapwa surrogates and at Mpwapwa center;</li> <li>4. Phenotypic and genetic characterization of indigenous chicken ecotypes named</li> </ol> |

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|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                  |                                                                                                                                                                                                                                                                                       | Mandendenga, Kuchi, Sasamala, Kawaida, Mtewa, Kishingo, Bukini, Kisunzu, Yangeyange, and Horasi were conducted.                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Improved livestock technologies disseminated by June 2024                                        | <p>1. Number of improved beef cattle disseminated</p> <p>2. Number of improved dairy cattle disseminated</p> <p>3. Number of technologies for improving sheep and goat productivity disseminated</p> <p>4. Number of technologies for improving chicken productivity disseminated</p> | <p>1. TALIRI managed to disseminate more than 56 beef cattle and 68 dairy cows to stakeholders, beef cattle with an average of 250 kg and milk cows with an average of 20 liters of milk daily. Compared to local cows that produce 0.5 - 2 liters of milk per day with 130 - 150 kg of meat</p> <p>2. TALIRI, in collaboration with ILRI through the SAPLING project, trained 50 youths, and through Dumisha Amani, trained 70 stakeholders in poultry management and business. A total of 877 chicks were distributed to farmers in the Southern Zone</p> |
| 5,000 livestock stakeholders outreached and capacitated by 2024                                  | Many farmers/stakeholders received training.                                                                                                                                                                                                                                          | <p>1. Through outreach activities, 4883 stakeholders have received a variety of trainings.</p> <p>2. Under the Maziwa Faida (Greening the Dairy Value Chain) initiative, the More Milk project in the Institute's Outreach program has reached and assisted over 624 breeders and 100 businesses.</p>                                                                                                                                                                                                                                                       |
| <b>Objective D: Research planning, coordination, communication, and networking strengthened;</b> |                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Planning and coordination of livestock research framework developed by June 2024                 | <p>i. MTEF in Place</p> <p>ii. Number of Research Project Proposals</p>                                                                                                                                                                                                               | <p>1. The Medium-Term Expenditure Framework was prepared and submitted to respective Authorities.</p> <p>2. TALIRI managed to prepare and submit 42 Research Project Proposals to different donors for funding.</p>                                                                                                                                                                                                                                                                                                                                         |
| <b>Objective E: Institutional capacity to deliver services strengthened</b>                      |                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

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|                                                                   |      |                                                      |                                                                                                                                                                                            |
|-------------------------------------------------------------------|------|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Build capacity of TALIRI centers to conduct research by June 2024 | i.   | Number of months covered by payment of utility bills | 1. Routine office operations services (bills) were paid in all research Centres;                                                                                                           |
|                                                                   | ii.  | Staff statutory benefits paid                        | 2. Ten (10) Staff moving expenses and Fifteen (15) Staff Members covered five (5) burial expenses;                                                                                         |
|                                                                   | iii. | Number of casual laborers paid their necessary wages | 3. Statutory privileges were paid monthly to 19 entitled leaders for Twelve (12) months consecutively;<br><br>4. 300 Casual laborers were paid for their salaries in all research Centres; |

## 2.6 SUSTAINABILITY

Sustainability is the ability of the available resources to satisfy Year the needs of the existing generation without affecting the ability of the same resource to satisfy Financial Year the needs of the future generation. Sustainable accounting is a practice that promotes or maximizes gains from the environment and minimizes losses caused by the environment.

The sustainability current practices of TALIRI under the umbrella of *Environment, Governance, and Social* can be explained as follows: -

- i. **Environment:** TALIRI emphasizes the sustainable use of natural resources, the development of climate-resilient livestock breeds, integrated pasture management, and effective waste management practices. These initiatives aim to support livestock production, reduce environmental impact, and promote long-term productivity and sustainability. Additionally, TALIRI is reducing paper use by introducing digital documentation.

Moreover, TALIRI advocates for high-quality feed that maximizes nutrient absorption, which helps reduce methane emissions during digestion. This approach not only enhances livestock health and productivity but also contributes to environmental sustainability by lowering the carbon footprint of livestock operations.

- ii. **Governance:** Adhering financial laws and regulations, adhering rule of Law, observing transparency, and practicing participatory management.
- iii. **Social:** Supporting community through Corporate Social Responsibility (CSR), participating in social events like SHIMIWI, *Mei Mosi*, and Marathon.

## 2.7 LIQUIDITY

During the Financial Year that ended 30 June 2024, TALIRI managed its liquidity level to ensure there were sufficient funds to meet its liabilities when due, without incurring unacceptable losses or damage to the Institute's reputation. This was achieved through

prudent liquidity management which includes maintaining sufficient cash and cash equivalents and striving to ensure that receivables are settled within the grace period of 30 days.

The Institute's current ratio for the Financial Year ended 30 June 2024, which measures the ability of current assets to meet short-term obligations (current liabilities) was 4.1 as compared to 18.3 on 30 June 2023.

Moreover, the acid (quick) test ratio which also measures the ability of current assets without inventories to meet short-term obligations (current liabilities) was 1.24 as compared to 1.12 on 30 June 2023. All the above ratios, current ratio, and acid test ratio reveal that TALIRI could fund its current liabilities when due.

## **2.8 CURRENT AND FUTURE DEVELOPMENT**

For the Financial Year 2023/24 TALIRI prepared its budget with a focus on implementing the Medium-Term Strategic Plan which augurs with Livestock policy objectives and in tandem with national policies such as Plan and Budget Guidelines, the National Five Years Development Plan (2021/22-2025/26), Government directives, circulars, and the CCM Election Manifesto 2020 all necessary for strengthening Research activities and utilization for economic growth in Tanzania. In so doing TALIRI streamlined the following key priority areas which include the research and Development of ruminant animals such as cows, goats, and sheep, the Research and development of non-ruminant animals such as chickens and pigs, Research and development of fodder, fodder seeds and pastures. Analysis and preservation of the various native breeds, strengthening financial management, and good governance The Financial Year 2024/25 Budget is based on the following priority areas:-

- i. Livestock Farms
- ii. Forage and forage seeds
- iii. Animal Feeds
- iv. Livestock Health
- v. Natural Supplements
- vi. Animal Behavior and Welfare

## **2.9 CORPORATE GOVERNANCE**

### **2.9.1 Introduction and Overview**

Corporate Governance involves directing and managing the affairs of an Organization. In directing the affairs, TALIRI's internal and external mechanisms of Corporate Governance are practiced.

The internal mechanism involves the Director General, Zonal Directors, Director of Corporate Services, Director of Research and Innovation, and other key personnel of the Institute.

The role of the internal mechanism is to manage the execution of all operations in compliance with laws, regulations, corporate governance standards, code of conduct, and ethics. The external mechanism involves the Ministry of Livestock and Fisheries (MLF), the Parliament, the Judiciary, the Controller and Auditor General, and the Board of Directors.

The role of the external mechanism is to exercise independent monitoring as to whether the internal mechanism is functional and complies with the laws, regulations, corporate governance standards, code of conduct, and ethics.

#### 2.9.2 Board of Directors

Pursuant to Section 8 of the Tanzania Livestock Research Institute (TALIRI) Act No. 4 of 2012 establishes a board known as the Tanzania Livestock Research Institute Board. The Board shall consist of a Chairman, who is appointed by the President from among individuals with knowledge and experience in livestock, as well as other members appointed by the Minister of Livestock and Fisheries. The Board of Directors is responsible for overseeing the management and providing strategic direction and accountability of the Institute in carrying out its statutory functions and achieving its objectives. The key responsibility of the Board among others includes:

- i. Advise the Minister on all matters relating to livestock research;
- ii. ensure efficiency in the performance of the Institute;
- iii. employ or authorize the employment or termination of staff;
- iv. approve budgets of the Institute;
- v. advise the Minister on the establishment of centers under the TALIRI Act.
- vi. issue directives to the Director General on the performance of his functions;
- vii. determine and charge fees for services rendered under the TALIRI Act; and
- viii. perform such other functions as may be directed by the Minister

During the financial year 2023/24, one TALIRI Board meeting was held at TALIRI-Tanga (Eastern Zone) on 02 February 2024. In this meeting, the Board deliberated on various matters brought before it, including a request from Management to approve several draft documents. These documents included the Audit Committee Charter, Risk Management Policy, Risk Management Framework, and Board Charter, all submitted for approval. The Board provisionally approved other documents, subject to further improvements and re-submission for final approval.

Additionally, the Board issued two specific pieces of advice to Management: first, that TALIRI-certified seeds should include TALIRI marks in their names for identification, and second, that TALIRI researchers should participate in regional and international research conferences and publications

At the date of this report, the TALIRI Board of Directors is composed of eight (9) members as shown in Table 2.

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**Table 2. TALIRI Board members**

| S/N | Full Name                   | Position         | Gender | Qualification/Discipline                  | Year of Appointment |
|-----|-----------------------------|------------------|--------|-------------------------------------------|---------------------|
| 1   | Prof. Sebastian Chenyambuga | Chairperson      | Male   | Professor in Animal Breeding and genetics | 17/07/2022          |
| 2   | Prof. Erick V. Komba        | Vice Chairperson | Male   | Professor in Veterinary Epidemiology      | 17/07/2022          |
| 3   | Rd. Angello J. Mwilawa      | Member           | Male   | PhD in Agriculture                        | 17/07/2022          |
| 4   | Rd. Stella Bitanyi          | Member           | Female | PhD in Veterinary Medicine and Science    | 17/07/2022          |
| 5   | Mar. Yohana K. Kubini       | Member           | Male   | MSC in Dairy Science                      | 17/07/2022          |
| 6   | Prof. Joshua J. Malago      | Member           | Male   | PhD in Cellular Pathology                 | 17/07/2022          |
| 7   | Prof. Esrom D. Karimuribo   | Member           | Male   | PhD in Veterinary Epidemiology            | 17/07/2022          |
| 8   | Dr. Bugeswa Z. Katale       | Member           | Male   | Doctor of Philosophy (Ph.D.; Philosophy)  | 17/07/2022          |
| 9   | Dr. Furaha P. Mrosso        | Member           | Male   | PhD in Applied Entomology                 | 17/07/2022          |
| 10  | Prof. Erick V. Komba        | Sectary          | Male   | Professor in Veterinary Epidemiology      | 17/07/2022          |

#### 2.9.2.1 Committees of the Board of Directors

To execute its statutory functions and ensure a high standard of corporate governance, an operational system for internal control policies and procedures, transparency, and accountability during the Financial Year 2023/24 the Board of Directors had three committees as follows:

##### i. Audit and Risk Management Committee

The committee was established by the Board of Directors with the main objective of Control and Governance of the Institute and financial and risk Management. The Committee convenes every quarter to review financial performances and the operation of the Institute. The Committee comprises three members as stipulated in Table 3.

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**Table 3. Audit and Risk Management Committee**

| S/N | Name                 | Position        | Qualification/ Discipline | Date of Appointment |
|-----|----------------------|-----------------|---------------------------|---------------------|
| 1   | Dr. Furaha Mrosso    | Chairperson     | PhD in Applied Entomology | 19/05/2023          |
| 2   | Mr. Yohana K. Kubini | Member          | MSC in Dairy Science      | 19/05/2023          |
| 3   | Josiah Cherehani     | Member-External | CPA (T)                   | 19/05/2023          |

The attendance of each member at three (3) meetings held during the year under review is shown in Table 4.

**Table 4. Attendance of the Audit and Risk Management Committee**

| Date of Meeting    | Dr. Furaha Mrosso | Mr. Yohana K. Kubini | Josiah Cherehani |
|--------------------|-------------------|----------------------|------------------|
| 27 September, 2023 | ✓                 | ✓                    | ✓                |
| 01, February, 2024 | X                 | ✓                    | ✓                |
| 11 June, 2024      | X                 | ✓                    | ✓                |

KEY: ✓ - Present      X - Absent with apology.

## ii. Research and Publication Committee

The Committee planned four meetings. One Meeting was held during the financial year ended on 30 June 2024. The committee reviewed research projects across various centres, assessing progress and aligning with organizational goals. They identified areas for improvement and ensured research activities adhered to protocols. They emphasized the importance of effective dissemination of research findings and their implementation for recommendations to the Board.

During the financial year 2023/24, the Committee comprised of three (3) members shown in Table 5.

| S/N | Name                      | Position    | Qualification/ Discipline      | Date of Appointment |
|-----|---------------------------|-------------|--------------------------------|---------------------|
| 1   | Prof. Joshua J. Malago    | Chairperson | PhD in Cellular Pathology      | 19/05/2023          |
| 2   | Prof. Esrom D. Karimuribo | Member      | PhD in Veterinary Epidemiology | 19/05/2023          |

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|   |                       |        |                                     |            |
|---|-----------------------|--------|-------------------------------------|------------|
| 3 | Dr. Bugeswa Z. Katale | Member | Doctor of Philosophy (Ph.D.; DPhil) | 19/05/2023 |
|---|-----------------------|--------|-------------------------------------|------------|

**Table 5. Research and Publication Committee**

The attendance of each member on one meeting held during the year under review is shown in Table 6.

**Table 6. Attendance of the Research and Publication Committee members**

| Date of Meeting | Prof. Joshua J. Malago | Prof. Esrom D. Karimuribo | Dkt. Bugeswa Z. Katale |
|-----------------|------------------------|---------------------------|------------------------|
| 01 Feb2024      | ✓                      | ✓                         | ✓                      |

KEY: ✓ - Present      X - Absent with apology.

**iii) Administration, Human Resources, Finance, and Planning Committee**

The Committee reviews various plans and policies of the organization which are geared towards effective operation and revenue generation, providing guidance and oversight in the generation, acquisition, and management of the institute's financial resources, which includes reviewing the annual budget and financial reports to ensure accuracy and compliance.

Additionally, the committee focuses on detecting and preventing fraud while maintaining a strong control environment

through the Internal Audit Unit. And their implementation for recommendations to the Board. During the financial year 2023/24, the Committee comprised three (3) Board members as stipulated in Table 7.

**Table 7: Administration, Human Resources, Finance, and Planning Committee members**

| S/N | Name                   | Position | Qualification/ Discipline              | Date of Appointment |
|-----|------------------------|----------|----------------------------------------|---------------------|
| 1   | Dr. Stella Bitanyi     | Chairman | PhD in Veterinary Medicine and Science | 19/05/2023          |
| 2   | Dr. Angelio J. Mwilawa | Member   | PhD in Agriculture                     | 19/05/2023          |
| 3   | Mr. Rainer Matowo      | Member   | ACPA(T), PGDA, ADA                     | 19/05/2023          |

The attendance of each member at one meeting held during the year under review is shown in Table No. 8.1

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**Table No. 8.1.**

| Date of Meeting  | Dr. Stella Bitanyi | Dr. Angelio J. Mwilawa | Mr. Rainer Matowo |
|------------------|--------------------|------------------------|-------------------|
| 01 February 2024 | ✓                  | ✓                      | ✓                 |

KEY: ✓ - Present    X - Absent with apology.

### 2.9.2.2 Tender Board

TALIRI tender Board is appointed by the Accounting Officer to serve for three (3) years and execute its function in accordance to Sections 32 and 34 of the Public Procurement Act (PPA) R.E 2023 which manages procurements affairs of TALIRI, their responsibilities include the following: -

- i. Deliberate on the recommendations from the Procurement Management Unit and approve the award of contracts
- ii. Review all applications for variation, addenda, or amendments of ongoing contracts
- iii. Approving tendering and contract documents
- iv. Approve procurement and disposal by tender procedures
- v. Ensure that best practices about procurement and disposal by tender are strictly adhered to by procurement entities

At the date of this report, the TALIRI tender Board comprises eight (5) members as stipulated in Table 9:

**Table 9. Tender Board Members**

| S/N | Name                    | Position    | Designation                                  |
|-----|-------------------------|-------------|----------------------------------------------|
| 1.  | Dr. Daniel Komwihangilo | Chairperson | Manager of Livestock Research and Innovation |
| 2.  | Hassan Shipe            | Secretary   | Ag. Head of Procurement Management Unit      |
| 3.  | Theresia Manyama        | Member      | Chief Accountant                             |
| 4.  | Gilbert Msuta           | Member      | Senior Research Officer II                   |
| 5.  | Joyce Sakaya            | Member      | Director of Corporate Services               |

During the year under review, the tender Board held Three (3) ordinary meetings. The attendance of each member during the period under review is shown in Table 10.

**Table 10. Attendance of the Tender Board members**

| S/No | Name                    | Meetings   |            |            |  |
|------|-------------------------|------------|------------|------------|--|
|      |                         | 09/11/2023 | 05/12/2024 | 23/05/2024 |  |
| 1.   | Dr. Daniel Komwihangilo | ✓          | ✓          | ✓          |  |
| 2.   | Theresia Manyama        | ✓          | ✓          | ✓          |  |

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| S/No | Name          | Meetings   |            |            |  |
|------|---------------|------------|------------|------------|--|
|      |               | 09/11/2023 | 05/12/2024 | 23/05/2024 |  |
| 3.   | Gilbert Msuta | ✓          | ✓          | ✓          |  |
| 4.   | Joyce Sakaya  | ✓          | ✓          | ✓          |  |
| 5    | Hassan Shine  | ✓          | ✓          | ✓          |  |

KEY: ✓ - Present    X - Absent with apology N/A- Not Applicable

During the period ended on 30 June 2024, Three Tender Board Meetings were held and three major tenders were awarded as shown below in Table 11:

**Table No. 11 Major tenders**

| MAJOR TENDER FOR THE FINANCIAL YEAR 2023/24 |                                                                                        |                                |                                   |                      |                |
|---------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------|-----------------------------------|----------------------|----------------|
| S/N                                         | Description of Procurement                                                             | Method of Procurement          | Name of Supplier/Service Provider | LPO/Contract No      | Value (TZS)    |
| 1                                           | SUPPLY OF LABORATORY SUPPLIES                                                          | COMPETITION QUOTATIONS         | KAH GENERAL SUPPLY                | TR101/2023/2024/G/49 | 34,105,200.00  |
| 2                                           | SUPPLY OF BIOTIC TEST KIT AND LACTO-SCAN ANALYZER                                      | COMPETITION QUOTATIONS         | NEBRIX LIMITED                    | TR101/2023/2024/G/46 | 29,382,000.00  |
| 4                                           | SUPPLY OF FARM EQUIPMENT FOR KONGWA AND NSIMBO                                         | NATIONAL COMPETITIVE TENDERING | PORTS AND RAIL                    | TR101/2023/2024/G/19 | 197,500,000.00 |
| 5                                           | SUPPLY OF GENERATOR AND UPS                                                            | COMPETITION QUOTATIONS         | BRIMOS CO.LTD                     | TR101/2023/2024/G/45 | 59,590,000.00  |
| 6                                           | SUPPLY OF AGRICULTURAL-EQUIPMENT AND MACHINERY                                         | NATIONAL COMPETITIVE TENDERING | KONFA ENTERPRISE LIMITED          | TR101/2023/2024/G/10 | 170,000,000.00 |
| 7                                           | PROC-SOIL SAMPLE COLLECTION TESTING AND ANALYSIS FOR FERTILITY IN TALIRI KONGWA CENTRE | SINGLE SOURCE                  | LIFE SUPORT SYSTEM (T) LTD        | TR101/2023/2024/C/01 | 57,750,000.00  |

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| MAJOR TENDER FOR THE FINANCIAL YEAR 2023/24 |                            |                       |                                   |                 |                |
|---------------------------------------------|----------------------------|-----------------------|-----------------------------------|-----------------|----------------|
| S/N                                         | Description of Procurement | Method of Procurement | Name of Supplier/Service Provider | LPO/Contract No | Value (TZS)    |
| 8                                           | SUPPLY OF 2 MOTOR VEHICLE  | SINGLE SOURCE         | GPSA                              |                 | 308,833,226.09 |
|                                             |                            |                       |                                   |                 | 857,160,426.09 |

#### 2.9.2.3 Internal Audit Unit

The Internal Audit is an independent unit of the Institute that oversees the organization's systems of internal controls on financial, effectiveness, and efficiency of operations and reporting to the Board Audit and Risk Committee. The core functions of the Internal Audit Unit are: -

- i. Appraise the soundness and application of accounting, financial and operational controls
- ii. Respond, subject to resource constraints, to ad hoc requests for audit assistance or advice as may be requested by the Accounting Officer or the Heads of Departments of a unit.

#### 2.9.2.4 Risk Management and Internal Control

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

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

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system, of internal control can provide absolute assurance against misstatement or losses, the Institute. The system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the Financial Year ended 30 June 2024. The Management carries out risk and internal control assessment through the Audit and Risk Committee.

## **2.10 STAKEHOLDERS' RELATIONSHIP**

TALIRI offers services to internal and external stakeholders. The members of its staff performing their duties in different functional areas and at various levels are the internal stakeholders. The Institute maintains a good relationship with all external stakeholders including development partners by ensuring effective communication.

## **2.11 PERFORMANCE FOR THE YEAR 2023/24**

### **2.12.1 Income from own source**

During the financial year ended 30 June 2024 the Institute had collections from its sources of TZS 635,483,073.50 compared to TZS 726,752,616.00 received in the Financial Year 2022/23 which is 26 % of the projected amount of TZS 2,459,365,599.00. The collections were realized from sales of live animals such as cattle, goats, sheep, and chickens, and animal products such as milk, eggs, and beef. Other earnings were from farm products such as hay, pasture, and forage seeds, and other offered services such as hiring of farm machinery.

### **2.12.2 Government subvention (OC)**

During the Financial Year ended 30 June 2024 the Institute received Government Subvention amounting to TZS 971,993,599.62 which is 68 % of the budgeted amount of TZS 1,420,000,000.00 compared to TZS 427,693,199 received in the Financial Year 2022/23

### **2.12.3 Local Development Fund**

During the Financial Year ended 30 June 2024 the Institute received Development fund from the Permanent Secretary of the Ministry of Livestock and Fisheries amounting to TZS 734,207,500.00 which is 14 % of the budgeted amount of TZS 5,080,473,200 compared to TZS 3,443,679,000 received in Financial Year 2022/23

Also, The Institute received TZS 25,134,183.56 as a contribution for the construction expenses of the Head Office in Dodoma from the following Ministry of Livestock Agency, Board and Company as follows

- i. Tanzania Meat Board
- ii. TVLA (Tanzania Veterinary Livestock Agency)
- iii. TDB (Tanzania Development Bank)
- iv. LITA (Livestock and Fisheries Training Agency)
- v. NARCO (National Ranching Company)

### **2.12.4 Personal emolument funds**

The subsidy for Personal Emolument funds received for the year under report was TZS 3,666,357,534 which is 102% of the Budgeted amount of TZS 3,594,016,200.00 compared to TZS 3,443,679,000 received in the Financial Year 2022/23.

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**2.12.5 Income from research projects and stakeholders**

On top of government subvention, During the Financial Year 2023/24, the Institute managed to get a total of TZS from TZS 3,143,000,591.06 donor funds to run the following research projects compared to TZS 1,126,264,331.39 of the financial year 2022/23

|      | Particulars                          | TZS                     |
|------|--------------------------------------|-------------------------|
| i    | ADGG Project                         | 612,384,525.12          |
| ii   | Envirocow                            | 56,482,677.46           |
| iii  | Maziwa Faida project                 | 1,917,924,531.75        |
| iv   | Rangeland Project                    | 16,585,485.00           |
| v    | Poultry Project GPF                  | 111,041,502.00          |
| vi   | TPGS Project                         | 271,985,687.64          |
| vii  | UK Innovate Project                  | 138,096,182.09          |
| viii | CRDB BANK Employee Capacity Building | 3,500,000.00            |
| ix   | NBC BANK Employee Capacity Building  | 10,000,000.00           |
| x    | NMB BANK Employee Capacity Building  | 5,000,000.00            |
|      | <b>Total</b>                         | <b>3,143,000,591.06</b> |

**3 ACHIEVEMENTS**

TALIRI had substantial achievements in the implementation of its duties and functions, in line with the annual plan and budget milestones set for the financial year 2023/24, as summarized in Table 1

**Table 3. Key Performance Indicator**

| Target Description                                                                                                                                                     | KPI                                                                                  | Achievement                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective A: HIV/AIDS infections are reduced and supportive services improved for staff living with HIV/AIDS, staff with disability, and gender issues observed</b> |                                                                                      |                                                                                                                                |
| All TALIRI staff sensitized on HIV/AIDS June 2024                                                                                                                      | Number of staff sensitized and advocated for Voluntary Counselling and Testing (VCT) | a) 185 (79%) staff were sensitized on Voluntary Counselling and Testing (VCT) in collaboration with other related stakeholders |
| All TALIRI staff sensitized on disability issues by June 2024                                                                                                          | Number of sensitizing meetings conducted                                             | Awareness meetings and physical exercises were conducted among staff including 3 joint route matches.                          |

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|                                                                                                          |                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| All TALIRI Staff sensitized on gender issues by June 2024                                                | Number of staff supported                                                                                              | 235 staff has a heightened understanding of gender issues, including equality, diversity, and inclusion.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Objective B: Effective implementation of National Anti-Corruption Strategy enhanced and sustained</b> |                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Awareness and sensitization meetings conducted at TALIRI by June 2024                                    | Number of sensitizing and awareness meetings conducted                                                                 | TALIRI conducted 8 awareness and sensitization meetings at its centre's on the objectives of the National Anti-Corruption Strategy, enhancing understanding and commitment to anti-corruption practices among staff.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Objective C: Technology development and dissemination enhanced</b>                                    |                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Ten (10) technologies for increasing the productivity of livestock developed and tested by June 2024     | <p>4. Increased Livestock Yield</p> <p>5. Number of technologies developed</p> <p>6. Number of technologies tested</p> | <p>1. TALIRI produced 107 of the dual-purpose Mpwapwa cattle breed and distributed 43 (males, heifers, and females) to stakeholders in various regions. Their fast growth rates and productivity increase the demand for these animals.</p> <p>2. Enriched the Mpwapwa Breed with Danish Red cattle blood and improved milk production to an average of 15 liters in a day and 250 kg of meat.</p> <p>3. Six cattle breeding programs involved the development and evaluation of local and exotic breeds: <i>Sahiwal X Mpwapwa X Boran (SMB) cattle</i>; <i>Beef Master X Boran cattle</i>; <i>Danish Red X Mpwapwa cattle</i>; <i>Danish Red bulls</i>; <i>Bonsmara cattle</i>; transfer of <i>Bonsmara</i> embryos using Mpwapwa surrogates and at Mpwapwa centre;</p> <p>4. Phenotypic and genetic characterization of indigenous chicken ecotypes named Mandendenga, Kuchi, Sasamala, Kawaida, Mtewa, Kishingo, Bukini, Kisunzu, Yangeyange, and Horasi was conducted.</p> |

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|                                                                                                  |                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Improved livestock technologies disseminated by June 2024                                        | <p>1. Number of improved beef cattle disseminated</p> <p>2. Number of improved dairy cattle disseminated</p> <p>3. Number of technologies for improving sheep and goat productivity disseminated</p> <p>4. Number of technologies for improving chicken productivity disseminated</p> | <p>1. TALIRI managed to disseminate more than 56 beef cattle and 68 dairy cows to stakeholders, beef cattle with an average of 250 kg and milk cows with an average of 20 litres of milk a day. Compared to local cows that produce 0.5 - 2 litres of milk per day with 130 - 150 kg of meat</p> <p>2. TALIRI in collaboration with ILRI through the SAPLING project trained 50 youths, and through Dumisha Amani trained 70 stakeholders in poultry management and business. A total of 877 chicks were distributed to farmers in the Southern Zone</p> |
| 5,000 livestock stakeholders outreached and capacitated by 2024                                  | Many farmers/stakeholders received training.                                                                                                                                                                                                                                          | <p>1. Through outreach activities, 4883 stakeholders have received a variety of trainings.</p> <p>2. Under the Maziwa Faida (Greening the Dairy Value Chain) initiative, Additionally, the More Milk project in the Institute's Outreach program has reached and assisted over 624 breeders and 100 businesses.</p>                                                                                                                                                                                                                                      |
| <b>Objective D: Research planning, coordination, communication, and networking strengthened;</b> |                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Planning and coordination of livestock research framework developed by June 2024                 | <p>iii. MTEF in Place</p> <p>iv. Number of Research Project Proposals</p>                                                                                                                                                                                                             | <p>3. The Medium-Term Expenditure Framework was prepared and submitted to respective Authorities.</p> <p>4. TALIRI managed to prepare and submit 42 Research Project Proposals to different donors for funding.</p>                                                                                                                                                                                                                                                                                                                                      |
| <b>Objective E: Institutional capacity to deliver services strengthened</b>                      |                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Build capacity of TALIRI centers to conduct research by June 2024                                | iv. Number of months covered by payment                                                                                                                                                                                                                                               | <p>5. Routine office operations services (bills) were paid in all research Centres:</p> <p>6. Ten (10) Staff moving expenses and Five (5) burial expenses</p>                                                                                                                                                                                                                                                                                                                                                                                            |

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|     |                                                      |                                                                                                        |
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|     | of utility bills                                     | were covered by Fifteen (15) Staff Members;                                                            |
| v.  | Staff statutory benefits paid                        | 7. Statutory privileges were paid monthly to 19 entitled leaders for Twelve (12) months consecutively; |
| vi. | Number of casual laborers paid their necessary wages | 8. 300 Casual laborers were paid for their salaries in all research Centres;                           |

#### 4 CHALLENGES AND STRATEGIES

Despite the above achievements, various challenges were encountered as in Table 11

**Table 13. Challenges and Strategies**

|   | Challenge/Constraints                                                                                                                                                                                                                                                                                                                                                                               | Strategies                                                                                                                                                                                                                                                                      |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | The institute received a small amount of funding during the Financial Year 2023/24, which does not fully cover the budget. Also, late disbursement of development budget funds has significantly affected the execution of planned projects for the fiscal year. As a result, many projects were not completed as scheduled, leading to a carryover of unspent funds at the end of the fiscal year. | Continues requesting funds as early as possible in the first quarter and makes close follow-ups.                                                                                                                                                                                |
| 2 | The institute is facing significant challenges due to climatic changes affecting the ecological zones of the TALIRI centres                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>i. implementing sustainable practices, enhancing resilience in local ecosystems</li> <li>ii. engaging with communities to promote awareness and adaptation measures</li> <li>iii. promoting practices that reduce overgrazing</li> </ul> |
| 3 | Encroachment and Boundaries Conflicts                                                                                                                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>i. Demarcation of Boundaries</li> <li>ii. Community Conservation Awareness</li> </ul>                                                                                                                                                    |

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|   | Challenge/Constraints                             | Strategies                                                                                                                                                                         |
|---|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4 | Inadequate human resources and working facilities | <ul style="list-style-type: none"> <li>i. Request and follow up on the recruitment permit</li> <li>ii. Write resource mobilization proposals to address the budget gaps</li> </ul> |

**5 SOLVENCY**

Solvency is an important indicator of financial health and stability. It is often assessed using various financial ratios such as the current ratio. Maintaining solvency is crucial for long-term operations and growth, ensuring that the Institute can continue to meet its financial commitments and finance in future opportunities, the Management confirms that, applicable accounting standards (IPSAS, TFRS, the Public Finance Act CAP 348 and other Governing legislatures) have been complied with and that the financial statements have been prepared on a going concern basis. Likewise, Management has a reasonable expectation that TALIRI can meet its long-term financial obligations.

**6 EMPLOYEES' WELFARE**

**6.1 Management and Employees' Relationship**

TALIRI believes that employees are a key element to public service delivery and that, working relationships should be an inspiring and personally elevating experience. Also believes that a committed, capable, and motivated workforce is central to quality service delivery. It is for that reason; that the Institute remains fully focused on maintaining a high level of employee development and engagement by giving equal access to employment opportunities and ensuring that the best available person is appointed to any given position free from discrimination of any kind. The relationship between the Management and employees was healthy for the year ended 30 June 2024.

**6.2 Working Environment**

Management believes that its employees should feel like working for the Institute. is an inspiring and personally elevating experience, and consequently accepts co-responsibility for the development of each employee to his/her full potential. TALIRI continues to improve the physical environment, Institute culture, and working conditions to enhance workers' efficiency, motivation, and satisfaction.

A conducive working environment has been TALIRI's motto since its establishment in the year 2012. During the year under report, the following were done

- i. Protective gear (gum boots, gloves, and raincoats) was bought and distributed to farm workers.
- ii. Liquid soap, sanitizers, and condoms were bought and distributed to workers to be used as preventive measures against disease-causing organisms and communicable and non-communicable diseases as per government directives.

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- iii. Office equipment and facilities such as office chairs were purchased and put in place to ensure a smooth working environment.
- iv. An office container was prepared and assembled to facilitate the staff offices.
- v. The Institute provides rooms for its staff to participate in sports and games at leisure times and some were involved in SHIMIWI tournaments.
- vi. The institute has a policy to guarantee its staff for loan facilities in various commercial banks.
- vii. TALIRI Managed to get (12) new staff through recruitment and transfer in the year 2023/24, this is an effort done to carter the challenge of understaffing
- viii. The Institute provides rooms for its staff to participate in sports and games during leisure time and some were involved in SHIMIWI tournaments.
- ix. The institute has a policy to guarantee its staff for loan facilities in various commercial banks.
- x. During the financial year 2023/24, 32 employees were promoted

**6.3 Training Facilitation**

The Institute offers training to its employees depending on the needs and financial resources available as it increases job satisfaction and morale among employees, motivation, increases capacity to adopt new technologies and methods and promotes the image of the Institute. The institute also implements training programs by supporting its employees to participate in different training programs organized within and outside the country to enable them to acquire the necessary skills to improve their capacity and capability to deliver quality services.

**6.4 Medical Assistance**

A total number of 219 staff of TALIRI and their spouses together with a maximum number of four beneficiaries for each employee were availed of medical insurance whereby, the employer contributed three percent (3%) of the employee salary. Currently, the service is provided through employee membership to the National Health Insurance Fund (NHIF).

**6.5 Gender Parity**

TALIRI is an equal-opportunity employer. It gives equal consideration to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to

Factors like marital status, gender, tribes, religion, and physical challenge. In the year under review, the Institute had a total of 219 employees compared to the previous year which was 207 (Table 12). Among female personnel, 3 females serve in a senior position.

**Table 4. Gender Parity**

| Gender | FINANCIAL YEAR/EMPLOYEES |         |          |         |
|--------|--------------------------|---------|----------|---------|
|        | 2023/24                  |         | 2022/23  |         |
|        | Existing                 | Deficit | Existing | Deficit |
| Male   | 196                      | 59      | 141      | 76      |
| Female | 69                       | 139     | 66       | 150     |
| Total  | 219                      | 198     | 207      | 226     |

#### 6.6 Persons with Physical Challenge

The TALIRI pursues equal opportunities for all, irrespective of ethnicity, race, gender, or religion including people with physical challenges for vacancies they can fill. TALIRI takes all the necessary measures possible to ensure that staff with physical challenges and special needs are well facilitated.

#### 6.7 Employees Benefits

The staff of the Institute enjoys various employee benefits which include salaries, pensions, and other related employment benefits. Employee benefits are recognized on an accrual basis. TALIRI staff enjoys defined benefit plans whereas the government contributes 15% of the basic salary of each employee to PSSSF on behalf of all permanent and pensionable employees. Additionally, the Government operates an insurance scheme (NHIF) where contributions are made by the Government and the employee, each contributing 3% of the salary of the employee.

| No | Name of the Fund | Employer Contribution | Employee Contribution |
|----|------------------|-----------------------|-----------------------|
| 1  | PSSSF            | 15%                   | 5%                    |
| 2  | WCF              | 0.5%                  | 0 (Government)        |

#### 6.8 Relationship between Management and Employees

The relationship between employees and management continued to be good. There were no unresolved complaints received by Management from the employees themselves and the RAAWU workers' representatives. The Institute uses a participatory approach. The approach always involves employees in decision-making, planning, and budgeting. During the year under report, one workers' Council Meeting was conducted.

### 7 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As part of its Corporate Social Responsibility, TALIRI contributed a total of TZS 8,600,000.00 during the Financial Year 2023/24. This included Ten Malya goats to Msomera livestock farmers in Tanga, amounting to TZS 2,000,000, and 2 bulls of the Mwapwa breed valued at TZS 1,600,000, which were provided to NAIC Arusha to supply smallholders with potentially

productive animals at a reasonable price. Additionally, TALIRI granted TZS 5,000,000 for the Hanang flood tragedy.

**8 ENVIRONMENTAL CONTROL PROGRAMME**

During the Financial Year 2023/24, TALIRI continued to strengthen environmental conservation in its areas of operations through the implementation of different conservation initiatives among it was;

- i. promoting practices that reduce overgrazing and improve pasture management encouraging the use of organic fertilizers and sustainable feed sources and establishing a monitoring system to assess the effectiveness of conservation initiatives.
- ii. Also, the Tanzania Livestock Research Institute (TALIRI) is a key partner in the ENVIRO-COW project, which focuses on reducing feed costs and greenhouse gas (GHG) emissions in smallholder dairy cattle across Sub-Saharan Africa (SSA). This research initiative is jointly implemented in Tanzania and Ethiopia, with the primary objective of developing climate mitigation strategies by examining the emissions from dairy cows and their adaptive capacity to climate change impacts.

In Tanzania, the project specifically targets smallholder dairy farms in the Arusha and Kilimanjaro regions. Through this initiative, TALIRI aims to enhance the sustainability of dairy farming practices while addressing the challenges posed by climate change. The findings from this project will contribute to more efficient dairy production, reduced environmental impact, and improved economic viability for smallholder farmers in the region.

**9 CROSS-CUTTING ISSUES**

During the reporting period, the Institute was involved in addressing crosscutting issues that included land disputes in Buhari Farm which is overseen by TALIRI Tanga. TALIRI also continued to address climate change mitigation measures in forage research initiatives. On the other hand, TALIRI continued to sensitize staff on voluntary testing for HIV/AIDS during the worker's council meetings. The institute has also taken affirmative action to enhance gender balance in managerial positions by appointing two (2) female directors for HIV/AIDS initiatives measures. Anti-corruption campaign, mainstreaming gender balance, environmental and related issues.

**10 RELATED PARTY TRANSACTIONS AND BALANCES**

Related party means parties that are considered to be related if one party can control the other party, or exercise significant influence over the other party in making financial and operating decisions, or if the related party entity and another entity are subject to common control. The Institute. Related Parties include the following:

- i. All directors or members of the Board of Directors of TALIRI.
- ii. Person/Entity having the Institute. for directing and controlling the activities of TALIRI

All related party transactions and balances are disclosed in the financial statements.

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**11 POLITICAL AND CHARITABLE DONATIONS**

The Institute did not make any political donations during the year under review.

**12 AUDITOR MANDATE AND RESPONSIBILITY**

The Controller and Auditor General (CAG) is the statutory auditor for TALIRI under the provision of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2000), and Section 10 (1) of the Public Audit Act, Cap 418 (R.E 2021). The auditor is responsible for assuring the correctness and consistency of every information contained in the report by those charged with governance with those provided in the financial statements.

In my opinion, the attached Financial Statements give a true and fair view of the physical performance and state of the financial status of TALIRI as of 30 June 2024.

I, further confirm the completeness of accounting records maintained by the Institute which have been relied upon in the preparation of the financial statements and on the adequacy of internal control systems.

  
Prof. Erick Vitus Komba  
Director General

13.03.2025  
Date

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**STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE**

The Management is responsible for the preparation of the annual Financial Statements, which give a true and fair view of the entity's state of affairs and its operating results following International Public Sector Accounting Standards (IPSAS) on an Accrual Basis, in conformity with Section 30 (2) & (4) of the Public Finance Act CAP 348. This responsibility includes; designing, implementing, and maintaining internal controls relevant to the preparation and presentation of financial statements that are free from material misstatement, whether on account of fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances which provide reasonable assurance that the transactions recorded are within statutory Institute, and properly record the use of all public financial resources accordingly.

To the best of our knowledge, the internal control systems operated adequately throughout the reporting period, and the records and underlying accounts provide a reasonable basis for the preparation of the Financial Statements for the year ended 30 June 2024. The Government Budget for the Institute was approved for the accounting period from 01<sup>st</sup> July 2023 to 30 June 2024. Hence the Institute continued to operate in the same manner as in the approved budget for the previous year. Procurement of goods works and consultancy and non-consultancy services to the extent that they are reflected in these financial statements have been done following the Public Procurement Act, CAP 410 (R.E 2022).

We accept responsibility for the integrity of these Financial Statements, the information they contain, and their compliance with the Public Finance Act CAP 348 and its Regulations; International Public Sector Accounting Standards (IPSAS) accrual basis; and Guidelines issued from time to time by Paymaster General and Accountant General. The Management is taking all responsibility by building confidence in the users of these financial statements that they portray the true and fair view of the state of affairs of TALIRI.

Nothing has come to the attention of the Management that the financial statements do not present fairly in all material respects of the operations of the entity and will not remain a going concern for the next twelve months from the date of these statements.



Prof Erick Vitus Komba

Director General

13.03.2025

Date

**STATEMENT OF DECLARATION BY THE HEAD OF FINANCE AND ACCOUNTS**

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Accountants and Auditors (Registration) amended Act 2021, 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.

A Professional Accountant must assist the Management in discharging the responsibility of preparing Financial Statements of the Institute showing a true and fair view of the entity's position and performance by applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the management as under management Responsibility Statement.

I ACPA Theresia Benence Manyama, the Head of Accounting and Finance of Tanzania Livestock Research Institute (TALIRI) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2024 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and other statutory requirements.

Thus, I confirm that the Financial Statements for the year ended 30 June 2024 present a true and fair view position of the Institute as of that date and that they have been prepared based on properly maintained financial records.

  
\_\_\_\_\_  
Theresia B. Manyama  
ACPA (T)  
ACPA No: 5993

13.03.2025  
\_\_\_\_\_  
Date

## COMMENTARY TO THE FINANCIAL STATEMENTS

### 1. Introduction

This part of the report provides comprehensive information regarding the financial results of the fiscal year 2023/24 for the Institute. TALIRI has consistently endeavoured to achieve the Strategic Plan through MTEF which covered the period of 12 months from July 2023 to June 2024.

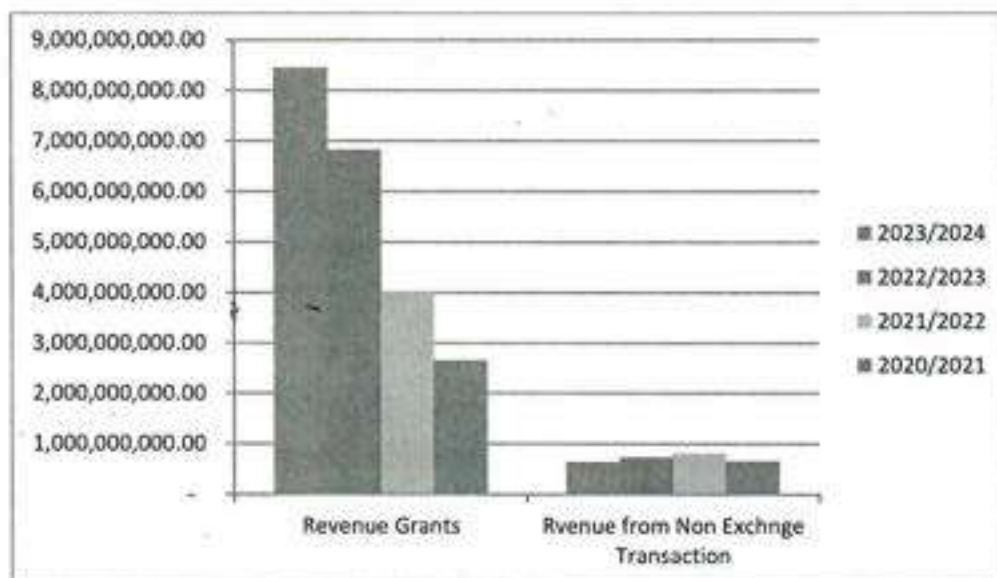
The Institute implemented its annual budget based on the Medium-Term Expenditure Framework and rolling Medium-Term Strategic Plan covering the period of 2021/2022-2025/2026. The implementation of the financial year 2023/24 was based on the vision, mission, objectives, and targets of TALIRI. An overview of the Institute's financial performance for the year 2023/24 is explained in detail below.

### 2. Financial and Operational Overview

The approved budget for TALIRI for the financial year 2023/24 was TZS 16,157,981,180 Out of which TZS 1,400,000,000 was allocated for Other Charges (OC), TZS 3,594,016,200. for Personal Emolument (PE) and TZS 11,163,964,980 for Development Expenditure.

### 3. Revenue

Revenue includes amortization of Grants and Revenue from exchange transactions. The total revenue for the year under review is TZS 9,211,042,298 which includes revenue from non-exchange transactions (Revenue Grants) TZS 635,483,073 and revenue grants of TZS 8,575,559,225 as indicated in Table 10 and Figure 1.



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Figure No: 1 Revenue Trandeing

Table 5. Breakdown of Revenue

| Financial Year                        | 2023/24       | 2022/23       | 2021/2022     | 2020/2021     |
|---------------------------------------|---------------|---------------|---------------|---------------|
|                                       | TZS           | TZS           | TZS           | TZS           |
| Revenue Grants                        | 8,453,629,256 | 6,825,331,656 | 4,025,057,722 | 2,649,031,900 |
| Revenue from Non exchange transaction | 635,483,073   | 726,752,616   | 810,851,068   | 651,542,829   |
| Total Revenue                         | 9,211,042,298 | 7,206,117,985 | 4,676,600,551 | 3,459,882,968 |

4. Expenses and Transfers

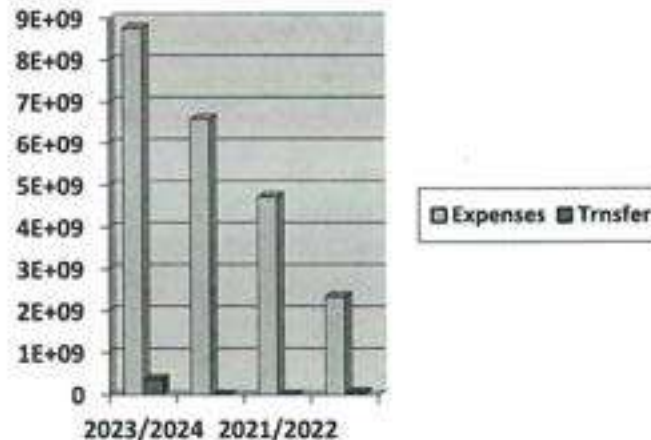
Expenses and transfers include; Wages, Salaries and Employee Benefits, Use of goods and services, Maintenance expenses, Other Expenses, Depreciation of PPE, amortization of intangible assets, and impairment of intangible assets. Total expenses and transfers for the Financial Year 2023/24 were TZS 9,130,067,311 as compared to TZS 6,593,279,947 for the Financial Year 2022/23. The increase of 38.5 %, resulted from the expansion of the expenditure budget for Other Charges and Personal Emolument The total fund transfers amounted to TZS 368,495,966, which included the following transfer of: TZS 245,000,000 transferred to TADB Bank, TZS 20,000,000 as a 15% contribution to Treasure Registry Office, and TZS 103,495,966 transferred to Livestock Training Agency (LITA) for the implementation of the Maziwa Faida Project. Table 14 and Figure 2 below show the increase in Expenses and Transfers over the years:

Table 6. Expenses and Transfers

| Financial Year | 2023/24       | 2022/23       | 2021/22       | 2020/21       |
|----------------|---------------|---------------|---------------|---------------|
|                | TZS           | TZS           | TZS           | TZS           |
| Expenses       | 8,761,571,345 | 6,593,279,947 | 4,730,504,627 | 2,338,893,226 |
| Transfers      | 368,495,966   | 0             | 2,303,000     | 58,467,413    |
| Total          | 9,130,067,311 | 6,593,279,947 | 4,732,802,627 | 2,397,360,639 |

Figure 1. The trend of Expenses and Transfer

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**4.1. Wages, Salaries and Employees Benefits**

Wages, salaries, and Employee Benefits comprise salaries and other personal allowances such as house allowance, leave travel, utilities, sitting allowances, telephone allowance, etc. The Institute spent TZS 4,885,423,718 in the Financial Year 2023/24 to finance its staff to perform planned activities as compared to TZS 3,961,397,286 spent in the Financial Year 2022/23. There was an increase of 23 % attributed to increased number of staff, from 207 to 219, and promotion of existing staff

**4.2. Maintenance Expenses**

During the Financial Year 2023/24, the Institute maintenance expenditure was TZS 831,822,266 as compared to TZS 536,325,501 spent in the Financial Year 2022/23.

**4.3. Other Expenses**

During the Financial Year 2023/24, the Institute spent TZS 107,199,541 as compared to TZS 44,740,000 in the Financial Year 2022/23.

**4.4. Use of Goods and Services**

During the fiscal year 2023/24, the Institute spent TZS 2,273,190,580 on the supply of goods and services, compared to TZS 1,272,270,944 in the fiscal year 2022/23. This represents an increase of 78.7%, attributed to increased funding for research projects from government grants (Development foreign grants).

**4.5. Depreciation and Amortization Expenses**

The depreciation and amortization amount of an asset is a system of cost allocation over its estimated useful life. During the Financial Year 2023/24, The Institute recorded depreciation of TZS 663,813,723 on its Non-Current Assets compared to TZS 778,290,672 recorded in the financial year 2022/23. The decrease was due to the implementation of a new rate of depreciation in accordance with the Public Finance (Management of Public Property) Regulations, specifically, Government Notice No. 373, published on 17/5/2024 During the Financial Year 2023/24,

**4.6. Expected Credit Loss**

During the financial year 2023/24, the Institute reported an expected credit loss of TZS 121,517, compared to TZS 255,544 for the financial year 2022/23.

**5. Capital Structure**

The Institute's capital structure for the Financial Year 2023/24 consists of the Tax Payers Fund of TZS 7,282,662,263 the same amount recorded in the Financial Year 2022/23, and Accumulated Surplus of TZS 2,593,186,482.00 as compared to TZS 2,512,211,496 in the financial year 2022/23.

**5.1 Assets**

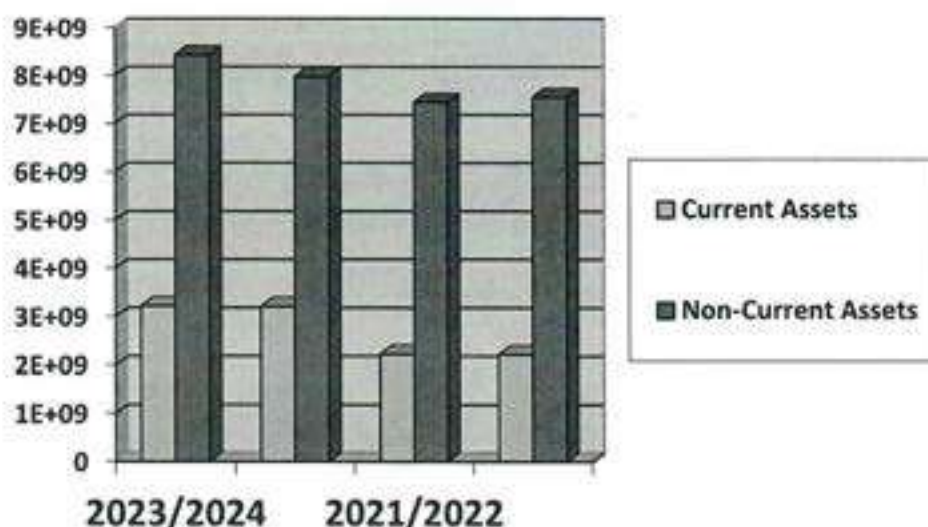
Total Current Asset at the end of the financial year comprises of Current Asset of TZS 3,224,390,289 (Cash and Cash Equivalent, Inventories and Prepayments) and Net non-current assets worth TZS 8,424,197,004 (Property, Plant and Equipment); Hence the total Assets for the year ended June 2024 was TZS 11,648,635,772 compared to TZS 11,178,307,352 for the prior year. The trend analysis of Assets is detailed in the following Table 15 and Figure 3.

**Table 7. Trend of Assets**

| Financial Year     | 2023/24        | 2022/23        | 2021/22       | 2020/21       |
|--------------------|----------------|----------------|---------------|---------------|
|                    | TZS            | TZS            | TZS           | TZS           |
| Current Assets     | 3,224,390,289  | 3,205,028,237  | 2,224,490,217 | 2,218,961,670 |
| Non-Current Assets | 8,424,197,004  | 7,973,279,114  | 7,442,210,127 | 7,545,973,129 |
| Total              | 11,648,635,772 | 11,178,307,352 | 9,666,329,594 | 9,764,934,799 |

**Figure 3. Trend of Assets**

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#### 5.1.1 Cash and Cash Equivalent

During the Financial Year 2023/24, the Institute had cash and cash equivalent of TZS 831,525,866 as compared to TZS 194,575,996 in the Financial Year 2022/23. The reason for the increased balance is attributed by the late disbursement of development funds. The amount for the financial year 2022/23 has been restated due to a change of accounting policy (IPSAS 41).

#### 5.1.3 Inventories

At the closure of the Financial Year 2023/24 inventory worth TZS 2,238,447,809 comprising of office consumables, fuel, Fuel, Building Materials, and Biological was reported compared to inventory worth TZS 3,010,452,242 reported in the Financial Year 2022/23. At the closure of the financial year 2023/24, the reported inventory decreased primarily due to the substantial use of building materials from the previous year and a decrease in biological assets.

#### 5.1.4 Prepayments

Prepayments as at 30 June 2024 amounted to TZS 154,416,613 as compared to zero prepayments reported in the previous year. The increase of 100 % was caused by the prepayment of new Motor Vehicles from development funds received during the Financial Year. All prepayment was paid to GPSA after receipt of the development fund.

#### 5.1.5 Property Plant and Equipment

The total carrying amount for PPE less of Accumulated Depreciation as at 30 June, 2024 was TZS 8,424,197,004 compared to TZS 7,973,279,114 for the previous year.

#### 5.2 Total Liabilities

The total liabilities for the year under review were TZS 1,772,738,549 comprising of Deferred income, Payables, and Deposits as compared to TZS 1,383,433,594 of the financial

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year 2022/23. Total liability increased by 28 % due to the remaining unamortized grants recorded under deferred income.

**5.2.1 Total Payables**

At the closure of the Financial Year 2023/24, the Institute had payables of TZS 976,765,221 as compared to TZS 1,209,518,676 reported in the Financial Year 2022/23.

**5.2.2 Deposits**

At the closure of the Financial Year 2023/24, the deposit was TZS 725,983,066 as compared to TZS 41,994,687 reported in the Financial Year 2022/23.

**5.3 Net Asset/Equity**

Net Asset includes Taxpayer's Fund and Accumulated Surplus/Deficit. The term Taxpayer's Fund was adopted by the Government in respect of the initial residual value from Assets and Liabilities. Taxpayers fund is expected to be static after the lapse of the IPSAS implementation transitional period which ended year 2016/17.

The amount of Net Asset as of 30 June 2024 is worth TZS 9,875,848,744 compared to TZS 9,794,873,758 for the prior year. The Increase was attributed by TALIRI operational performance.

**6. Cash Flows**

The cash flow statement is the statement that shows the Institute's movement of cash. It comprises Cash flow from operating activities, Cash flow from investing activities, and Cash flow from financing activities.

**6.1 Cash Flow from Operating Activities**

During the year under review, the Institute reported a total sum of TZS 9,773,100,708 as receipts which includes revenue grants from the Government TZS 8,453,629,256, revenue from exchange transactions TZS 635,483,073 and an Increase in Deposit TZS 683,988,379.

**6.2 Cash Flow from Investing Activities**

During the year under review, TZS 1,185,193,226 were used to Purchase/Develop non-current assets.

**7. Surplus**

During the financial year 2023/24 the institute recorded a Surplus of TZS 80,974,986 as compared to a Surplus of TZS 958,804,325 recorded in the financial year 2022/23. The amount for the financial year 2022/23 has been restated due to a change of accounting policy (IPSAS 41).

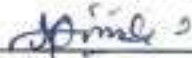
  
Pro. Erick Vitus Komba  
Director General

13.03.2025  
Date

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

|                                         | Note | 2024<br>TZS           | 2023<br>TZS           |
|-----------------------------------------|------|-----------------------|-----------------------|
| <b>ASSETS</b>                           |      |                       |                       |
| <b>Current Asset</b>                    |      |                       |                       |
| Cash and Cash Equivalents               | 62   | 831,525,866           | 194,575,996           |
| Prepayments                             | 69   | 154,416,613           | 0                     |
| Inventories                             | 70   | 2,238,447,809         | 3,010,452,242         |
| <b>Total Current Asset</b>              |      | <b>3,224,390,289</b>  | <b>3,205,028,237</b>  |
| <b>Non-Current Asset</b>                |      |                       |                       |
| Property, Plant and Equipment           | 77   | 8,424,197,004         | 7,973,279,114         |
|                                         |      | <b>8,424,197,004</b>  | <b>7,973,279,114</b>  |
| <b>Total Non-Current Asset</b>          |      | <b>11,648,587,293</b> | <b>11,178,307,352</b> |
| <b>TOTAL ASSETS</b>                     |      |                       |                       |
| <b>LIABILITIES</b>                      |      |                       |                       |
| <b>Current Liabilities</b>              |      |                       |                       |
| Payables and Accruals                   | 89   | 976,765,221           | 1,209,518,676         |
| Deferred Income                         | 93   | 69,990,262            | 131,920,231           |
| Deposits                                | 94   | 725,983,066           | 41,994,687            |
| <b>Total Current Liabilities</b>        |      | <b>1,772,738,549</b>  | <b>1,383,433,594</b>  |
| <b>TOTAL LIABILITIES</b>                |      | <b>1,772,738,549</b>  | <b>1,383,433,594</b>  |
| <b>Net Assets</b>                       |      | <b>9,875,848,744</b>  | <b>9,794,873,758</b>  |
| <b>NET ASSETS/EQUITY</b>                |      |                       |                       |
| <b>Capital Contributed by:</b>          |      |                       |                       |
| Taxpayers/Share Capital                 |      | 7,282,662,263         | 7,282,662,263         |
| <b>Accumulated Surpluses / Deficits</b> |      | <b>2,593,186,482</b>  | <b>2,512,211,496</b>  |
| <b>TOTAL NET ASSETS/EQUITY</b>          |      | <b>9,875,848,744</b>  | <b>9,794,873,758</b>  |

  
Prof. Erick Vitus Komba  
Director General

13.03.2025  
Date

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**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024**

|                                               | Note | 2024<br>TZS          | 2023<br>TZS          |
|-----------------------------------------------|------|----------------------|----------------------|
| <b>Revenue</b>                                |      |                      |                      |
| Revenue Grants                                | 16   | 8,575,559,225        | 6,825,331,656        |
| Revenue from Exchange Transactions            | 17   | 326,254,379          | 412,189,158          |
| Other Revenue                                 | 31   | 309,228,694          | 314,563,458          |
| <b>TOTAL REVENUE</b>                          |      | <b>9,211,042,298</b> | <b>7,552,084,272</b> |
| <b>EXPENSES AND TRANSFERS</b>                 |      |                      |                      |
| <b>Expenses</b>                               |      |                      |                      |
| Wages, Salaries, and Employee Benefits        | 34   | 4,885,423,718        | 3,961,397,286        |
| Use of Goods and Service                      | 35   | 2,273,190,580        | 1,272,270,944        |
| Maintenance Expenses                          | 36   | 831,822,266          | 536,325,501          |
| Other Expenses                                | 52   | 107,199,541          | 44,740,000           |
| Expected Credit Loss                          | 54   | 121,517              | 255,544              |
| Depreciation of Property, Plant and Equipment | 77   | 663,813,723          | 778,290,672          |
| <b>Total Expenses</b>                         |      | <b>8,761,571,345</b> | <b>6,593,279,947</b> |
| <b>Transfer</b>                               |      |                      |                      |
| Other Transfers                               | 60   | 368,495,966          | 0                    |
| <b>Total Transfer</b>                         |      | <b>368,495,966</b>   | <b>0</b>             |
| <b>TOTAL EXPENSES AND TRANSFERS</b>           |      | <b>9,130,067,311</b> | <b>6,593,279,947</b> |
| <b>Surplus / Deficit for the period</b>       |      | <b>80,974,986</b>    | <b>958,804,325</b>   |

  
Prof. Erick Vitus Komba  
Director General

13.03.2025  
Date

THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF LIVESTOCK AND FISHERIES  
TANZANIA LIVESTOCK RESEARCH INSTITUTE (TALIRI)  
REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS

**STATEMENT OF CHANGES IN NET ASSET AND EQUITY FOR THE YEAR ENDED 30 JUNE 2024**

| Descriptions                      | Tax Payer's Fund | Accum. Surplus/<br>Deficit | Total         |
|-----------------------------------|------------------|----------------------------|---------------|
|                                   | TZS              | TZS                        | TZS           |
| Opening Balance as at 01 Jul 2023 | 7,282,662,263    | 2,512,211,496              | 9,794,873,758 |
| Surplus/ Deficit for the Year     | 0                | 80,974,986                 | 80,974,986    |
| Closing Balance as at 30 Jun 2024 | 7,282,662,263    | 2,593,186,482.00           | 9,875,848,744 |
| Opening Balance as at 01 Jul 2022 | 7,282,662,263    | 1,553,407,171              | 8,836,069,434 |
| Surplus/ Deficit for the Year     | 0                | 958,804,325                | 958,804,325   |
| Closing Balance as at 30 Jun 2023 | 7,282,662,263    | 2,512,211,496              | 9,794,873,758 |

  
Prof. Erick Vitus Komba  
Director General

13.03.2025  
Date

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**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE, 2024**

|                                                         | Original Budget | Reallocation | Final Budget   | Actual        | Different Final Budget |
|---------------------------------------------------------|-----------------|--------------|----------------|---------------|------------------------|
|                                                         | TZS             | TZS          | TZS            | TZS           | TZS                    |
| <b>RECEIPTS</b>                                         |                 |              |                |               |                        |
| Revenue grants                                          | 13,572,801,180  | 0            | 13,572,801,180 | 8,453,629,256 | 5,119,171,924          |
| Revenue from Exchange Transactions                      | 2,585,180,000   | 0            | 2,585,180,000  | 635,483,073   | 1,949,696,927.00       |
| Increase in Deposit                                     | 0               | 0            | 0              | 683,988,379   | (683,988,379.00)       |
| Total Revenue Budget/<br>Actual Revenue and<br>Variance | 16,157,981,180  | 0            | 16,157,981,180 | 9,773,100,708 | 6,384,880,472.00       |
| <b>PAYMENTS</b>                                         |                 |              |                |               |                        |
| Wages, Salaries and<br>Employee Benefits                | 5,678,663,280   | 65,662,400   | 5,744,325,680  | 4,873,806,970 | 870,518,710.00         |
| Use of Goods and Service                                | 4,875,345,594   | -72,662,400  | 4,802,683,194  | 1,769,511,349 | 3,033,171,845.00       |
| Subsidies                                               | 0               | 0            | 0              | 0             | -                      |
| Social Benefits                                         | 3,600,000       | 0            | 3,600,000      | 0             | 3,600,000.00           |
| Other Transfers                                         | 4,000,000       | 0            | 4,000,000      | 368,495,966   | (364,495,966.00)       |
| Other Expenses                                          | 351,211,529     | -7,600,000   | 343,611,529    | 107,199,541   | 236,411,988.00         |
| Maintenance Expenses                                    | 2,361,682,687   | 239,000,000  | 2,600,682,687  | 831,822,266   | 1,768,860,421.00       |
| Grants and Transfers                                    | 100,000         | 0            | 100,000        | 0             | 100,000.00             |
| Acquisition of Property,<br>Plant and Equipment         | 1,585,068,089   | -124,400,000 | 1,460,668,089  | 1,185,193,226 | 275,474,863.00         |

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|                                  |                |              |                |               |                  |
|----------------------------------|----------------|--------------|----------------|---------------|------------------|
| Acquisition of Biological Assets | 1,298,310,000  | -100,000,000 | 1,198,310,000  | 0             | 1,198,310,000.00 |
| Total Payment                    | 16,157,981,178 | 0            | 16,157,981,178 | 9,136,029,319 | 7,021,951,859.00 |
| Net Receipts/Payments            |                |              |                | 637,071,390   | (637,071,390.00) |

  
\_\_\_\_\_  
Prof. Erick Vitus Komba  
Director General

13.03.2025  
\_\_\_\_\_  
Date

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1. General Information

Tanzania Livestock Research Institute (TALIRI) is a body corporate, established by Parliamentary Act No. 4 of 2012, under Government Notice No. 30, Volume 93, dated 27th July 2012. The Institute general information are as follows:

|                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPAL PLACE OF BUSINESS</b><br><br>Tanzania Livestock Research Institute (TALIRI),<br><br>P.O. Box 834, Nyumba Miatatu-Kisasa<br><br>DODOMA<br><br>Tell. +255 26 2962377<br><br><a href="http://www.taliri.go.tz">www.taliri.go.tz</a>                                                                  | <b>BANKER</b><br><br>1. National Microfinance Bank,<br><br>Dodoma Branch,<br><br>P.O.Box 1482,<br><br>DODOMA.<br><br>2. Bank of Tanzania,<br><br>16 Jakaya Kikwete Road 40184<br><br>P.O.Box 2303,<br><br>DODOMA.<br><br>* |
| <b>AUDITORS</b><br><br>Controller and Auditor General<br><br>National Audit Office of Tanzania (NAOT)<br>4 Mahakama Road, Tambukareli<br><br>P. O. Box 950, 41104 Dodoma<br>Tel: +255 (026) 2161200<br>Fax: +255 (026) 2321245<br>Email: <a href="mailto:ocag@nao.go.tz">ocag@nao.go.tz</a><br>Dodoma-Tanzania | <b>LAWYERS</b><br><br>Attorney General<br><br>The office of Attorney General<br><br>Government City-Mtumba<br><br>Utumishi Street<br><br>P.O.BOX 630<br><br>Dodoma-Tanzania                                                |

### 2. Reporting Entity

The reporting entity of these Financial Statements is the Tanzania Livestock Research Institute (TALIRI) under the Ministry of Livestock and Fisheries

**3. Statement of Compliance and Basis of Preparation**

These financial statements comply with International Public Sector Accounting Standards - Accrual basis, the measurement bases applied is historical cost adjusted for revaluation of assets to ascertain the deemed cost. The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period. Moreover, the financial Statements have been prepared following the requirements of the Public Finance Act, CAP 348. Furthermore, the reports by Those Charged with Governance were prepared in compliance with TFRS 1 issued by the National Board of Accountants and Auditors.

**4. Authorization Date**

The Report with those Charged with governance and Financial Statements of TALIRI was authorized for issue following Article 143(4) of the Constitution of the United Republic of Tanzania, 1977(revised in 2000).:

**5. Summary of Significant Accounting Policies**

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

**5.1. 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 by having different Cash and Cash Equivalent figures 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. Moreover, the Institute operates with NMB Bank with global ratings of B1 and NMB global rating of Baa3 from Moody's which gives a Probability of Default (PD) of 2.16%

Disclosure of prior year adjustment to Financial Assets as per IPSAS 41. (Adjustment for Receivable is pending awaiting completion of Model Governance on Expected Credit Loss (ECL).

**Prior year adjustment Cash and Cash Equivalent (NMB Bank Balances)**

| Description            | Cash and bank balance | Accumulated surplus | Reason                      |
|------------------------|-----------------------|---------------------|-----------------------------|
| Financial Year 2022/23 | 19,394,650            | 959,059,869         | Change in Accounting Policy |
| Expected Credit Loss   | 255,543.91            | 255,543.91          | Change in Accounting Policy |
| Restated Balance       | 19,139,106            | 958,804,325         | Change in Accounting Policy |

**6. Reporting Period**

The reporting period for these Financial Statements is the financial year of the Government which runs from 1 July 2023 to 30 June 2024.

**7. Foreign currency translation**

**Functional and presentation currency**

Items included in the Financial Statements of the Institute are measured using the currency of the primary economic environment in which the Government of Tanzania operates ("the functional currency"). These financial statements are presented in Tanzanian Shillings (TZS) which is the Government's functional and presentation currency.

**8. Employee's benefits**

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. Employee benefits are of two types defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (A fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Defined benefit plans a post-employment benefit plans other than defined contribution plans.

The Government operates a defined benefit plan, Employee benefits include salaries, pensions, and other related - employment costs. Employee benefits are recognized on an accrual basis. Different plans and contribution rates for employers and employees are detailed in Table 16.

**Table 8: Defined Benefit Funds**

| No. | Name of the Fund | Employer Contribution | Employee Contribution |
|-----|------------------|-----------------------|-----------------------|
| 1   | PSSSF            | 15%                   | 5%                    |
| 2   | WCF              | 0.5%                  | 0% (Government)       |

Additionally, the Government operates an insured medical plan (NHIF) where contributions are made by the Employer and Employee, each contributing 3% of the gross salary of the respective employee.

**9. Revenue**

TALIRI Revenue comprises Revenue from Non-Exchange Transactions which are government grants released as Other Charges for both recurrent & development expenditures.

#### **Revenue from Non-Exchange Transactions**

Revenue from Non-Exchange Transactions occurs when TALIRI receives resources and provides no or nominal consideration directly in return.

#### **Subventions & Government Grants Assistance**

Subventions and Government Grants when received by the Institute from the Government are deferred and are amortized when utilized by the Institute. Thus, are reported as revenue grants in the statement of performance while the balance at the end of the financial year is reported as deferred income in the statement of financial position.

#### **Recognition of Assets**

An inflow of resources from a non-exchange transaction, other than services in-kind, that meets the definition of an asset (IPSAS 1) is recognized as an asset when, and only when:

- i. It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
- ii. The fair value of the asset can be measured reliably.

#### **Measurement of Assets on Initial Recognition**

An asset acquired through a non-exchange transaction is initially measured at its fair value as at the date of acquisition.

#### **Recognition of Revenue from Non-Exchange Transactions**

Revenue from Non-exchange transactions is recognized when the following conditions are met:

- i. An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.
- ii. As an entity satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it shall reduce the carrying amount of the liability recognized and recognize an amount of revenue equal to that reduction.

#### **10. Expenses**

An expense is a cost that the entity incurs in running its operations. In performing daily activities, the Institute records expenses in the Statement of Financial Performance when incurred and not necessarily when paid.

#### **11. Current Asset**

Current Assets are short-term assets that can be convertible to cash or liquidated quickly within a fiscal year and are the resources that TALIRI needs to run its day-to-day operations and pay

its current expenses. Current assets are reported on the Statement of Financial Position at their fair value.

**12. Cash and cash equivalents**

Cash comprises cash on hand and demand notes and cash equivalent are short-term, highly liquid investments that are readily convertible to a known amount of cash and which are subject to an incognisant risk of changes in value. Cash and cash equivalents in the statement of financial position comprise cash at the bank and funds committed to complete activities planned in the previous year's budget and are measured at amortized cost. For cash flow statements, cash and cash equivalents consist of cash and cash equivalents as defined, net of outstanding bank overdrafts. Cash and cash equivalent are not available for use by the management, these are third-party monies.

**13. Financial Instruments Recognition**

The Institute recognises financial instruments when it becomes party to the contractual provisions.

**13.1 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.

**13.2 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.

**13.3 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 of the Institute held at NMB Bank (TALIRI NMB Revenue Collection Account)

#### **13.4 Impairment of Cash**

The impairment of cash and based on expected credit losses. The Institute recognizes loss allowances for Expected Credit Losses (ECL) on all financial assets except those that are credit impaired. A loss allowance is measured at initial recognition and subsequently measured at each reporting date or material date for changes in Expected Credit Loss (ECL) triggered by a significant increase in credit risks. 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.

TALIRI has prepared an Expected Credit Loss (ECL) model governance to guide the recognition and calculation of ECL yearly. This ECL model governance is updated before each financial year-end to ensure it reflects the most current information and practices.

#### **13.5 Measurement of Probability of Default (PD) for Cash**

##### **Quantitative Criteria**

**Stage 1:** The Bank in which the Institute deposits its cash performs, If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition and if it is rated from Aaa to Baa3 by credible rating agencies. The Institute recognizes a loss allowance at an amount equal to 12-month expected credit losses. This amount of credit losses is intended to represent 12-month expected credit losses that will result if a default event occurs in the 12 months after the reporting date.

**Stage 2:** The Bank in which the Institute deposits its cash underperforms, if credit risks have significantly increased after initial recognition, and if it is rated from Ba1 to B3 by credible rating agencies. In instances where credit risk has increased significantly since initial recognition, the Institute measures a loss allowance at an amount equal to full lifetime expected credit losses. That is, the expected credit losses that result from all possible default events over the life of cash deposits.

**Stage 3:** The Bank in which the Institute deposits its cash defaults, if credit risks have significantly increased after initial recognition and if it is rated from Caa1 to D by credible rating agencies. The Institute measures a loss allowance at an amount equal to full lifetime expected credit losses. That is the expected credit losses that result from all possible default events over the life of cash deposits.

##### **Significant Increase in credit risk (SICR)**

The Institute assesses at each reporting date if there is an increase in credit risk with regards to Bank(s) in which it holds its cash based on the rating provided by rating agencies.

#### Qualitative Criteria

The Institute judges the performance of the Bank based on the quickness of the Bank in making the cash available on immediate demand from the Institute

#### 13.6 ECL FORMULA

$$\text{ECL(12Month)} = \text{EAD(12Month)} \times \text{PD(12Month)} \times \text{LGD(12Month)}$$

Note: 12Month- from 1<sup>st</sup> July 2023 to 30 June 2024.

#### Components Explained

##### EAD (Exposure at Default):

This is the TALIRI total cash amount held in the NMB Bank at the financial year ended 30 June 2023 and the financial year ended 30 June 2024. (TALIRI NMB Revenue Collection Account).

##### PD (Probability of Default):

This reflects the likelihood that the NMB bank will default on its obligations. This is based on credit ratings regarding the bank's performance.

| No | Name of the Bank | Rating Agency | Score | Probability of Default (PD) |
|----|------------------|---------------|-------|-----------------------------|
| 1  | NMB PLC          | Moody's       | B1    | 2.61%                       |

##### LGD (Loss Given Default):

This represents the percentage of the EAD that is expected to be lost if the NMB bank defaults. This takes into account the recovery rates from the legal framework

#### 13.6.1 LGD Calculation

##### Loss Given Default (LGD) Formula

The formula for calculating LGD is;

$$\text{LGD} = 1 - \text{Recovery Rate}$$

$$\text{Recovery Rate} = \text{Recovered Amount} / \text{EAD}$$

| BANK NAME                             | Exposure at default ( EAD) | Recovered Amount | Recovered Rate | LGD   |
|---------------------------------------|----------------------------|------------------|----------------|-------|
| NMB BANK                              | A ( TZS)                   | B (TZS)          | C=B/A          | D=1-C |
| the Financial Year Ended 30 June 2023 | 19,394,650                 | 7,500,000        | 0.39           | 0.61  |
| The Financial Year ended 30 June 2024 | 24,937,900                 | 7,500,000        | 0.30           | 0.70  |

### 13.6.2 ECL Calculation

| BANK NAME                                | EXPOSURE AT<br>DEFAULT (EAD) | PD    | LGD  | ECL                       | CARRYING<br>VALUE |
|------------------------------------------|------------------------------|-------|------|---------------------------|-------------------|
| NMB BANK                                 | A                            | B     | C    | $D = A \times B \times C$ | A-D               |
| The Financial Year Ended 30<br>June 2023 | 19,394,650.00                | 2.16% | 0.61 | 255,543.91                | 19,139,106.09     |
| The Financial Year ended 30<br>June 2024 | 24,937,900.00                | 2.16% | 0.70 | 377,061.05                | 24,560,838.95     |

This is supported by historical analysis

| CASH AND CASH EQUIVALENT           |            |            |
|------------------------------------|------------|------------|
|                                    | 2024       | 2023       |
|                                    | TZS        | TZS        |
| Cash at Bank and on hand           | 24,937,900 | 19,394,650 |
| Expected Credit Loss:              |            |            |
| Opening                            | 255,544    | 0          |
| Charged during the year            | 377,061    | 255,544    |
| Closing                            | 121,517    | 255,544    |
| Cash as per Statement of Net Asset | 24,816,383 | 19,139,106 |

### Analysis of Cash and Cash Equivalent

For the statement of cash flows, cash, and cash equivalent comprises of the following balances.

| DESCRIPTION                                 | 2024        | 2023        |
|---------------------------------------------|-------------|-------------|
|                                             | TZS         | TZS         |
| Cash as per Statement of Financial Position | 831,525,866 | 194,575,996 |
| Expected Credit Loss                        | 377,061     | 255,543.91  |

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|                                |             |             |
|--------------------------------|-------------|-------------|
| Gross Cash and Cash Equivalent | 831,902,929 | 194,831,540 |
|--------------------------------|-------------|-------------|

At the year ended 30 June 2024, TALIRI reported the expected credit loss (ECL) on its cash balances at NMB Bank with current global ratings of B1 from Moody's, which gives a Probability of Default (PD) of 2.16%.

#### **Derecognition Financial assets**

The Institute derecognizes a financial asset when:

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

When The Institute enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

## **14. Financial liabilities**

### **Recognition**

Financial liabilities are recognized when the Institute has a contractual obligation to deliver cash as a result of goods or services received.

### **Measurement**

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

### **Derecognition**

The Institute derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Institute also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On

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

**15. Inventories**

These are materials or supplies to be consumed or distributed in the rendering of services. Inventories held for consumption or distribution at no charge or for a nominal charge are stated at the lower cost and current replacement cost.

The cost incurred in bringing each product to its present location and condition are accounted for as follows: IT and Computer Accessories, and stationaries, and other consumables cost is determined on FIFO.

They are measured at cost upon initial recognition. To the extent that inventories were received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventories are at their fair value at the date of acquisition. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the TALIRI.

**16. Receivables from non-exchange transactions**

Are established when the Institute owed asset or service (usually in the form of cash) that arises from a transaction that does not directly give approximately equal value in exchange, or TALIRI has given to another entity without directly receiving approximately equal value in exchange. For the year ended 30 June 2024, the Institute recognized receivables related to imprests advanced to staff before the year-end; however, at the ended 30 June 2024, there were no receivables to be recognized in the financial statements."

**17. 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 following the related recognition criteria. The Institute has adopted a straight-line method for the depreciation of Assets which is allocated systematically over the useful life of the respective assets as per IPSAS 17, the 'Public Asset Management Guideline of Revised Edition 2019 issued on 30 April 2019, and the applicable accounting policies.

**Depreciation**

The Institute adopted a straight-line method for depreciation of Public Assets which is allocated systematically over the useful life of the respective assets as per requirements of Public Finance (Management of Public Property) Regulations of 2024 and applicable accounting policies. The depreciable amount of an asset is allocated on a systematic basis over its estimated useful life. The prevailing International Standard for depreciation is applied over the useful life of the assets. Following the Generally Acceptable Valuation Principles (GAVP), depreciation for

valuation purposes shall be the adjustment made to the replacement cost to reflect physical deterioration and functional and economic obsolescence.

Also, The Public Finance (Management of Public Property) Regulations, Government Notice No. 373, published on May 17, 2024, under The Public Finance Act (Cap. 348), includes regulations about the Second Schedule (made under regulation 9(2)). These regulations introduce changes to the estimated useful life of public property, which affects TALIRI. As a result, there is a difference in the amount of depreciation charged: TZS 663,813,723 for the financial year 2023/24 compared to TZS 778,290,672 for the financial year 2022/23.

#### Estimated Useful Life (EUL)

Assets run an economic life peculiar to themselves depending on make, constant handling, and operational use. Some assets are continued in use much beyond the EUL due to periodical maintenance and repairs. Assets expected life are projected in ranges as Table 17

**Table 9. Assets Expected Useful Life**

| Description of Assets                                         | Useful Life (Years) |
|---------------------------------------------------------------|---------------------|
| Office Furniture and Fittings                                 | 15                  |
| Motor vehicles                                                | 10                  |
| Motor cyler                                                   | 07                  |
| Printers and Scanners                                         | 08                  |
| Hardware servers and equipment ( Inc, Desktop, Laptop, etc. ) | 08                  |
| Laboratory equipment and instruments                          | 10                  |
| Plant and Machinery                                           | 15                  |
| Office Building                                               | 50                  |
| Telecommunication infrastructure, networks, and equipment     | 10                  |
| Laboratory Equipment and instrument                           | 10                  |
| Agriculture and Livestock Extension                           | 25                  |
|                                                               |                     |

The carrying values of cash-generating property, plant, and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An item of property, plant, and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising

on the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset).

#### **De-recognition of Property, Plant, and Equipment**

The carrying amount of an item of property, plant, and equipment shall be derecognized:

- i. On disposal; or
- ii. When no future economic benefits or service potential is expected from its use or disposal.

The gain or loss arising from the recognition of an item of property, plant, and equipment is included in surplus or deficit when the item is derecognized.

#### **Capitalization of Assets and Threshold**

Some assets may have a lower value, per unit, than the capitalization threshold. Such assets may be material as a group. In this case, the assets are generally recorded as a single group asset, with one combined value. The Institute recognizes assets acquisitions of value amounting to TZS 100,000 whose life span is more than one year as recognized as non-current assets.

#### **18. Related Party Disclosure**

Related party means parties that are considered to be related if one party can control the other party, or exercise significant influence over the other party in making financial and operating decisions, or if the related party entity and another entity are subject to common control. The Institute's Related Parties include Key Management Personnel which comprises the following:

- i) All directors or members of the Board of Directors of TALIRI
- ii) Other persons having the Institute and responsibility for planning, directing, and controlling the activities of TALIRI.

For TALIRI, key management includes the minister and Deputy Minister for Livestock and Fisheries, Permanent Secretary of livestock, Ministry Directors, and, Board Members. No loans or advances were made or outstanding at any time during the year to or from any person coming within the definition of "related party" as defined by the International Public Sector Accounting Standard (IPSAS 20). During the reporting period, a total of TZS 27,192,000.00 were paid as directors fees to six board members who were:

| Category    | Director's Fee |
|-------------|----------------|
| Chairperson | 3,400,000.00   |
| Secretary   | 2,974,000.00   |

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| Category      | Director's Fee       |
|---------------|----------------------|
| Directors (7) | 20,818,000.00        |
| <b>TOTAL</b>  | <b>27,192,000.00</b> |

**19. Events after the 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 authorized for issue. Two types of events can be identified:

- (a) All material events that take place between the reporting date and the authorization for the issue of financial statements that provide evidence of conditions that existed at the end of the reporting period (Adjusting events after the reporting period); and
- (b) All material events that take place between the reporting date and the authorization for the issue of financial statements that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

During the financial year 2023/24, there were neither adjusting events nor non-adjusting events.

**20. Current Liabilities**

Current liabilities are financial obligations of the Institute that are due and payable within a year. A liability occurs when the Institute has undergone a transaction that has generated an expectation for a future outflow of cash or other economic resources.

**21. Financial Instruments**

Financial instruments within the scope of IPSAS 41 and IFRS 9 are classified as any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Financial Instruments include financial assets. Financial Asset is cash, or a contract to receive cash at a future date. Financial assets are measured through Amortized cost,

**22. Non-Current Asset Held for Sale**

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

are measured at the lower of the assets' previous carrying amount and fair value less costs to sell

**23. Deferred income revenue**

This relates to an Institute grant received in which the related expenses have not been incurred, therefore the amount has been deferred to the next financial period. Grants received in monetary form for recurrent expenditure are recognized as deferred income revenue in the Statement of Financial Position and are released to the Statement of Financial Performance when recurrent expenditure is incurred.

**24. Taxpayers Fund**

This consists of monies invested by the Institute to satisfy individual or collective needs or to create future benefits. It includes all monies invested in capital expenditure. For the year ended 30 June 2024 the Taxpayers Fund stood at TZS 7,282,662,263.

**25. Significant Accounting Judgments, Estimates and Assumptions**

The preparation of TALIRI financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

**25.1 Judgments**

In the process of applying the Institute's accounting policies, management has made the following judgments, 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 uses reasonable judgment in determining the useful lives and hence depreciation rates of the items of property, plant, and equipment. The residual values, useful lives, and methods of depreciating property, plant, and equipment are reviewed and adjusted if appropriate, at each financial year end.

**26. Future Changes In Accounting Policies**

Standards issued but not yet effective up to the date of issuance and some amendments thereon that might have an impact on TALIRI Financial Statements are listed below. The issued standards are those that the Institute reasonably expects to have an impact on disclosures, financial position, or performance when applied at a future date. The entity intends to adopt these standards when they become effective.

- i. **IPSAS 43 - Leases:** IPSASB approved IPSAS 43, Leases with an effective date of January 1, 2025. IPSAS 43 supersedes IPSAS 13, *Leases*, and introduces the right-of-use model for lessees, aligning with IFRS 16, *Leases*. The IPSASB will continue consideration of public sector-specific leasing issues, such as concessionary leases, in its Other Lease-Type Arrangements project. The entity is currently assessing the impact of the standard.
- ii. **IPSAS 44- Non-Current Assets Held for Sale and Discontinued Operations:** In May 2022 IPSASB issued IPSAS 44 that specifies the accounting for assets held for sale and the presentation of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be:
- measured at the lower of carrying amount and fair value minus costs to sell and depreciation on such assets to cease; and
  - presented separately in the statement of financial position and results of discontinued operations are to be presented separately in the Statement of financial performance.
- IPSAS 44 will be effective for periods beginning on or after January 1, 2025.
- iii. **IPSAS 45 - Property, Plant, and Equipment:** This standard guides accounting for Property, Plant, and Equipment so that users of Financial Statements can discern information about an entity's investment in its PPE and the changes in such investment. The standard applies to PPE used to develop or maintain the biological assets related to agricultural activity other than bearer plants, Mineral rights, and mineral reserves such as oil, natural gas, and similar non-regenerative resources and the recognition and measurement of exploration and evaluation assets. IPSAS 45 removed IPSAS 17's scope exclusion of Heritage Asset. This standard will be effective on 1 January 2025 with earlier application permitted.
- iv. **IPSAS 46 Measurement.** The objective of this Standard is to define measurement bases that assist in reflecting fairly the cost of services, operational capacity, and financial capacity of assets and liabilities. The Standard identifies approaches under those measurement bases to be applied through individual IPSAS to achieve the objectives of financial reporting. An entity that prepares and presents financial statements under the accrual basis of accounting shall apply IPSAS 46, Measurement in measuring assets and liabilities. The measurement requirements described in this Standard apply to both initial and subsequent measurements unless specific guidance is included in the individual IPSAS. IPSAS 46 will be effective for periods beginning on or after January 1, 2025.

**v. IPSAS 47- Revenue.**

IPSAS 47 is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. This new Standard provides focused guidance to help entities apply the principles to account for public sector revenue transactions.

To meet this objective requires an entity to consider the terms of the transaction, and all relevant facts and circumstances, to determine the type of revenue transaction and set out the accounting requirements to account for the revenue transaction. IPSAS 47 will be effective for periods beginning on or after January 1, 2026

vi. **IPSAS 48: Transfer Expenses.** The objective of this standard is to establish the principles that a transfer provider (an entity) shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of expenses and cash flow arising from transfer expense transactions. To meet the objective, This Standard requires an entity to consider the terms of the transaction and all relevant facts and circumstances to determine the type of transfer expense transaction and set out the accounting requirements for the transfer expense transaction. IPSAS 48 will be effective for periods beginning on or after January 1, 2026.

vii. **IPSAS 49: Retirement Benefit Plans.** The objective of this standard is to prescribe the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants. IPSAS 49 will be effective for periods beginning on or after January 1, 2026.

**27. Exchange Rates**

All monetary amounts in the financial statements are expressed in Tanzanian Shilling, the legal tender shown as TZS.

**28. Risks Management Objectives and Policies**

The Institute's activities potentially expose it to a variety of risks namely: financial risks, operational risks, compliance risks, and strategic risks.

**i. Financial Risks.**

Financial risks are those that affect the Institute's cash flow and how money is handled in the operations. TALIRI is also subjected to the risk of changes in market prices, such as foreign exchange rates and interest rates, affecting the income or the value of its financial instruments.

Due to this fact, TALIRI employs market risk management to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk. This risk includes the following:

**a. Interest rate risk**

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

The Institute does not have long-term deposits or borrowings therefore statement of financial performance and operating cash flows are not highly affected by changes in market interest rates.

**b. Foreign exchange risk**

Foreign exchange risk refers to the risk of loss due to adverse movements in foreign exchange rates. The Institute has no significant foreign currency transactions related to its expenditure hence the effects of foreign exchange risk are minimal. Where necessary, TALIRI negotiates forward contracts in order to settle future transactions denominated in foreign currencies.

**c. Credit risk**

Credit risk refers to the risk of a loss due to the non-performance by counterparties to discharge an obligation. Financial instruments that subject the Institute to credit risk include bank balances and advances. The Institute manages the exposure to credit risk by:

- i. Maintaining credit exposure only with highly rated institutions, for which the probability of default is low. The creditworthiness of counterparties is continuously monitored; and Total Cash in the Banks to which the Entity is exposed to credit risk as of 30 June 2024 with its comparative figures presented in Table 18 according to the classification of assets (classification according to external credit rating is done based on credit ratings published by Standard and Poor's).

**Table 10. Cash in the Bank Credit Risk Rating**

| Description | Rating | 2024       | 2023       | PD    |
|-------------|--------|------------|------------|-------|
|             |        | TZS        | TZS        |       |
| NMB         | B1     | 24,937,900 | 19,394,650 | 2.16% |

**Credit quality**

Credit quality per class of financial assets. Tables 16 and 17 show the quality by class of asset for all financial assets exposed to credit risk, based on the Entity's credit rating system. The amount presented is the gross impairment allowances.

### Cash and Cash Equivalent

**Table 11. Cash and Cash Equivalent Credit Quality 30.06.2024**

| Description            | Stage 1           | Stage 2 | Stage 3 | Total             |
|------------------------|-------------------|---------|---------|-------------------|
| Cash & Cash Equivalent | 24,937,900        |         |         | 24,937,900        |
| <b>Total</b>           | <b>24,937,900</b> |         |         | <b>24,937,900</b> |

**Table 12. Cash and Cash Equivalent Credit Quality 30.06.2023**

| Description            | Stage 1           | Stage 2 | Stage 3 | Total             |
|------------------------|-------------------|---------|---------|-------------------|
| Cash & Cash Equivalent | 19,394,650        |         |         | 19,394,650        |
| <b>Total</b>           | <b>19,394,650</b> |         |         | <b>19,394,650</b> |

### Movement in Expected Credit Loss allowance

The following Table 18 explain the changes in the loss allowance between the previous period and the current reporting period due to change in credit risk factors.

**Table 13. Movement in Expected Credit Loss allowance**

| Description                               | Stage 1    | Stage 2 | Stage 3 |
|-------------------------------------------|------------|---------|---------|
| Loss Allowance as at 30 June 2023         | 255,543.91 |         |         |
| New Financial Assets Originated/Purchased | 377,061.05 |         |         |
| Financial Asset derecognized              |            |         |         |
| Change in risk parameters                 |            |         |         |
| Loss Allowance as at 30 June 2024         | 632,604.96 |         |         |

### d. Operational Risk

Operational risks result from inadequate systems, management failures, ineffective internal control processes, fraud, theft, and human errors. The Institute addresses this risk inter alia

through ensuring the existence of a Business Continuity Plan (BCP) and a sound internal control system. The main instruments of the internal control system include operational and procedural manuals, policies and guidelines, and an independent internal audit function. Managing operational risks in the Institute is an integral part of day-to-day operations by the management.

The Management, Internal Audit Function, Audit and Risk Committee, and the Board of Directors, are actively involved in the monitoring process.

**e. Compliance Risk**

Compliance risk refers to the risk of legal or financial penalties, loss of reputation, or other negative consequences arising from a failure to comply with laws and regulations. TALIRI is constantly monitoring and evaluating internal systems to ensure that all internal stakeholders are performing their daily duties in accordance with the laws, regulations, and guidelines that govern TALIRI.

**f. Strategic Risk**

Strategic risk refers to the internal and external events that may make it difficult, or even impossible, for an organization to achieve its objectives and strategic goals. These risks can have severe consequences that impact organizations in the long term. TALIRI encounters this risk in some cases when disbursements of funds to support the implementation of its action plan are delayed. However, TALIRI expanded its source of income by writing resource mobilization proposals to get extra funds from Research partners.

**29. Original and Final Budget and Composition of Actual and Budget amounts**

The approved budget for TALIRI for the Financial Year 2023/24 was TZS16,157,981,180.00 out of which TZS 5,744,325,680.00 was allocated for Wages, Salaries and Employee Benefits, TZS 4,802,683,194.00 for Use of Goods and Service, 3,600,000 Social Benefits, TZS 4,000,000.00 for Other Transfers, TZS 2,600,682,687.00 for Maintenance Expenses, TZS 1,460,668,089.00 Acquisition of Property, Plant and Equipment and TZS 1,198,310,000.00 for Acquisition of Biological Assets as shown in the Table 23.

Table No. 23: Explanations of Variances between Final Budget and Actual Amounts for the year ended 30 June, 2024

|                                    | Final Budget          | Actual               | Variance             | Variance (%) | Remarks                                                                                                                                                                                                                                    |
|------------------------------------|-----------------------|----------------------|----------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                    | A                     | B                    | (A-B)                |              |                                                                                                                                                                                                                                            |
|                                    | TZS                   | TZS                  | TZS                  |              |                                                                                                                                                                                                                                            |
| <b>RECEIPTS</b>                    |                       |                      |                      |              |                                                                                                                                                                                                                                            |
| Revenue grants                     | 13,572,801,180        | 8,453,629,256        | 5,119,171,924        | 37.72        | Lower disbursement of fund - than-expected grant funding                                                                                                                                                                                   |
| Revenue from Exchange Transactions | 2,585,180,000         | 635,483,073          | 1,949,696,927        | 75.42        | Significant decrease in expected revenue from services and sales of research products due to environmental issues and unfunded research projects, including sales from BBT amounting to TZS 900,000,000 that were not obtained as planned. |
| Increase in Deposit                | -                     | 683,988,379.00       | (683,988,379)        | 100          | late disbursement of funds.                                                                                                                                                                                                                |
| <b>Total Receipts</b>              | <b>16,157,981,180</b> | <b>9,773,100,708</b> | <b>6,384,880,472</b> | <b>55.93</b> |                                                                                                                                                                                                                                            |
| <b>PAYMENTS</b>                    |                       |                      |                      |              |                                                                                                                                                                                                                                            |

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|                                              | Final Budget  | Actual        | Variance      | Variance (%) | Remarks                                                                                                                                                                                             |
|----------------------------------------------|---------------|---------------|---------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                              | A             | B             | (A-B)         |              |                                                                                                                                                                                                     |
|                                              | TZS           | TZS           | TZS           |              |                                                                                                                                                                                                     |
| Wages, Salaries and Employee Benefits        | 5,744,325,680 | 4,873,806,970 | 870,518,710   | 15           | Late hiring new employee                                                                                                                                                                            |
| Use of Goods and Service                     | 4,802,683,194 | 1,769,511,349 | 3,033,171,845 | 63           | Decreased Fund Disbursement                                                                                                                                                                         |
| Social Benefits                              | 3,600,000     | -             | 3,600,000     | 100          | Planned social benefit programs has been postponed                                                                                                                                                  |
| Other Transfers                              | 4,000,000     | 368,495,966   | (364,495,966) | (91.12)      | 1. Transfer of BBT Funds to TADB Bank<br>2. Transfer of Funds to LITA: Additional funds were transferred to LITA for implementing the Maziwa Faida Projects, which exceeded the original estimates. |
| Maintenance Expenses                         | 2,600,682,687 | 831,822,266   | 1,768,860,421 | 68           |                                                                                                                                                                                                     |
| Grants and Transfers                         | 100,000       | -             | 100,000       | 100          | The funds were not released.                                                                                                                                                                        |
| Acquisition of Property, Plant and Equipment | 1,460,668,089 | 1,185,193,226 | 275,474,863   | 19           | Decreased Fund Disbursement                                                                                                                                                                         |

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|                                  | Final Budget   | Actual         | Variance         | Variance (%) | Remarks                                                                                                                                                                                                                                                                                 |
|----------------------------------|----------------|----------------|------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                  | A              | B              | (A-B)            |              |                                                                                                                                                                                                                                                                                         |
|                                  | TZS            | TZS            | TZS              |              |                                                                                                                                                                                                                                                                                         |
| Acquisition of Biological Assets | 1,198,310,000  | -              | 1,198,310,000    | 100          | The funds were not released during the financial year 2023/24                                                                                                                                                                                                                           |
| Total Payment                    | 16,157,981,178 | 9,136,029,319  | 7,021,951,859    | 43           | The actual payments were significantly lower than the budgeted amount, with a variance of 43.5%. Factors contributing to this variance include delays in project implementation, lower fund disbursement, cost control measures, and unexpected circumstances like environmental issues |
| Net Receipts/Payments            |                | 637,071,390.00 | (637,071,390.00) |              |                                                                                                                                                                                                                                                                                         |

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Notes to the financial statements for the year ended 30 June, 2024

**16 - Revenue Grants**

|                                      |                      |                      |
|--------------------------------------|----------------------|----------------------|
| Government Grant Personal Emolument  | 3,666,357,534        | 3,443,679,000        |
| Government Grant Development Foreign | 3,143,000,591        | 1,126,264,331        |
| Government Grant Development Local   | 734,207,500          | 1,354,631,125        |
| Government Grant Other Charges       | 971,993,600          | 427,693,199          |
| Revenue Grants - Non-Monetary        | 60,000,000           | 473,064,001          |
|                                      | <b>8,575,559,225</b> | <b>6,825,331,656</b> |

**17 - Revenue from Exchange Transactions**

|                                        |                    |                    |
|----------------------------------------|--------------------|--------------------|
| Agriculture and Farm produce           | 326,254,379        | 380,929,158        |
| Revenue from Sale of Seeds & Seedlings | 0                  | 31,260,000         |
|                                        | <b>326,254,379</b> | <b>412,189,158</b> |

**31 - Other Revenue**

|                       |                    |                    |
|-----------------------|--------------------|--------------------|
| Compounding Fees      | 4,230,050          | 46,505,800         |
| Miscellaneous Revenue | 304,998,644        | 268,057,658        |
|                       | <b>309,228,694</b> | <b>314,563,458</b> |

**34 - Wages, Salaries and Employee Benefits**

|                                          |               |               |
|------------------------------------------|---------------|---------------|
| Casual Labour Discretionary              | 6,078,090     | 0             |
| Casual Labour Expenses                   | 334,850,663   | 264,080,657   |
| Casual Labourers                         | 9,880,540     | 0             |
| Civil Servants                           | 3,666,357,534 | 3,443,679,000 |
| Court Attire Allowance                   | 1,000,000     | 850,000       |
| Electricity                              | 7,946,906     | 7,097,238     |
| Electricity Allowance                    | 34,846,877    | 9,769,750     |
| Extra-Duty                               | 227,333,281   | 87,874,902    |
| Food and Refreshment                     | 55,060,788    | 0             |
| Fuel Allowance                           | 92,099,989    | 0             |
| Honoraria                                | 29,447,155    | 1,192,194     |
| Housing Allowance discretionary Expenses | 25,000,000    | 2,800,000     |
| Housing allowance Expenses               | 38,331,000    | 12,600,000    |
| Leave Travel                             | 25,860,291    | 2,341,880     |
| Local Staff Salaries                     | 3,700,000     | 0             |
| Moving Expenses                          | 4,125,400     | 44,534,392    |
| Responsibility Allowance                 | 146,131,071   | 30,000,000    |
| Sitting Allowance                        | 65,299,705    | 22,272,370    |
| Subsistence Allowance                    | 9,000,000     | 15,980,000    |

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|                                                               |                      |                      |
|---------------------------------------------------------------|----------------------|----------------------|
| Telephone                                                     | 73,319,429           | 2,939,903            |
| Telephone Allowance                                           | 29,755,000           | 13,385,000           |
|                                                               | <b>4,885,423,718</b> | <b>3,961,397,286</b> |
| <b>35 - Use of Goods and Service</b>                          |                      |                      |
| Acaricides                                                    | 1,384,000            | 4,497,000            |
| Accommodation Training - Domestic                             | 69,098,004           | 13,500,000           |
| Advertising and publication                                   | 1,988,000            | 160,807              |
| Advertising and Publication - Communication & Information     | 6,086,960            | 2,000,000            |
| Agricultural Chemicals                                        | 2,450,000            | 1,592,000            |
| Agricultural Implements                                       | 134,244,285          | 353,127,773          |
| Air Travel Tickets Travel - In - Country                      | 3,562,210            | 0                    |
| Air Travel Tickets Travel Out Of Country                      | 45,860,950           | 0                    |
| Animal Feeds                                                  | 143,465,629          | 236,539,560          |
| Cleaning Supplies - Use of goods and Services                 | 67                   | 293,000              |
| Computer Software - Use of goods and Services                 | 0                    | 280,000              |
| Computer Supplies and Accessories                             | 6,285,122            | 10,000,000           |
| Conference Facilities                                         | 27,106,796           | 2,995,000            |
| Diesel                                                        | 119,881,014          | 66,413,442           |
| e Training Materials                                          | 100,000              | 0                    |
| Electricity - Utilities Supplies and Services                 | 9,498,252            | 0                    |
| Exhibition, Festivals and Celebrations                        | 6,164,838            | 1,950,000            |
| Fertilizers                                                   | 0                    | 13,700,000           |
| Food and Refreshments                                         | 0                    | 15,862,173           |
| Furniture and Appliances                                      | 0                    | 3,500,000            |
| Gifts and Prizes                                              | 3,000,000            | 500,000              |
| Ground Transport (Bus, Train, Water)                          | 1,538,000            | 2,279,000            |
| Ground travel (bus, railway taxi, etc.) Travel - In - Country | 65,091,948           | 22,877,618           |
| Ground travel (bus, railway taxi, etc.) Travel Out Of Country | 320,000              | 0                    |
| Internet and Email connections                                | 32,898,855           | 6,817,725            |
| Laboratory Supplies                                           | 27,232,143           | 24,675,452           |
| Lubricants                                                    | 938,000              | 0                    |
| Mobile Charges                                                | 800,000              | 0                    |
| Non-Cash Expenditure-Use of Goods and Service                 | 290,757,127          | 54,561,799           |
| Office Consumables (papers, pencils, pens and stationaries)   | 220,470,112          | 103,269,255          |
| Outsourcing Costs (includes cleaning and security services)   | 200,000              | 0                    |
| Per Diem - Domestic                                           | 847,071,175          | 168,195,989          |

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|                                                                          |                      |                      |
|--------------------------------------------------------------------------|----------------------|----------------------|
| Per Diem - Foreign                                                       | 29,013,000           | 50,859,936           |
| Posts and Telegraphs                                                     | 1,387,750            | 359,903              |
| Printing and Photocopy paper                                             | 140,000              | 0                    |
| Printing and Photocopying Costs                                          | 0                    | 380,000              |
| Protective Clothing, footwear and gears                                  | 377,372              | 4,961,910            |
| Purchased Electricity - TANESCO                                          | 0                    | 5,782,160            |
| Rent of Vehicles and Crafts                                              | 8,000,000            | 6,650,000            |
| Sample analysis                                                          | 2,500,000            | 0                    |
| Seeds                                                                    | 37,036,619           | 63,142,377           |
| Small engineering tools and equipment                                    | 0                    | 1,036,000            |
| Special Uniforms and Clothing                                            | 540,000              | 0                    |
| Subscription Fees                                                        | 12,923,000           | 1,785,000            |
| Telephone Charges (Land Lines)                                           | 2,540,000            | 467,709              |
| Training Materials                                                       | 4,000,000            | 0                    |
| Tuition Fees Training - Domestic                                         | 48,766,632           | 4,790,000            |
| Tuition Fees Training - Foreign                                          | 3,145,000            | 0                    |
| Uniforms and Ceremonial Dresses                                          | 2,576,151            | 0                    |
| Uniforms -Clothing, Bedding, Footwear and Services                       | 5,790,000            | 500,000              |
| Vaccines                                                                 | 3,013,000            | 3,391,800            |
| Veterinary Drugs and Medicine                                            | 13,930,017           | 11,314,800           |
| Visa Application Fees                                                    | 373,200              | 2,400,000            |
| Water Charges                                                            | 29,645,351           | 1,922,611            |
| Wire, Wireless, Telephone, Telex Services and Facsimile                  | 0                    | 2,939,145            |
|                                                                          | <b>2,273,190,580</b> | <b>1,272,270,944</b> |
| <b>36 - Maintenance Expenses</b>                                         |                      |                      |
| Cement, Bricks and Building Materials                                    | 0                    | 114,760,132          |
| Cement, bricks and construction materials                                | 627,701,718          | 333,043,288          |
| Computers, printers, scanners, and other computer related equipment      | 6,314,000            | 200,000              |
| Direct labour (contracted or casual hire) - Buildings                    | 35,385,298           | 1,949,970            |
| Medical and Laboratory equipment                                         | 225,000              | 14,092,500           |
| Metal Fence and Posts - Buildings                                        | 0                    | 235,000              |
| Motor Vehicles and Water Craft                                           | 64,564,477           | 10,772,422           |
| Outsource maintenance contract services - Buildings                      | 320,000              | 1,916,000            |
| Outsource maintenance contract services - Machinery, Equipment and Plant | 1,510,000            | 4,883,437            |
| Panel and body shop repair materials and services                        | 95,680,773           | 39,843,517           |
| Photocopiers                                                             | 0                    | 6,610,000            |

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|                                                   |                    |                    |
|---------------------------------------------------|--------------------|--------------------|
| Pipes and Fittings                                | 107,000            | 996,500            |
| Precision tools, weights and measures instruments | 0                  | 150,000            |
| Repair and Maintenance of Sewerage System         | 14,000             | 6,121,234          |
| Small tools and equipment                         | 0                  | 751,500            |
|                                                   | <b>831,822,266</b> | <b>536,325,501</b> |
| <b>52 - Other Expenses</b>                        |                    |                    |
| Agency fees                                       | 750,000            | 0                  |
| Audit fees Expenses                               | 0                  | 600,000            |
| Burial Expenses                                   | 0                  | 4,100,000          |
| Business licences Expenses                        | 4,030,000          | 305,000            |
| consultancy fees                                  | 11,166,960         | 0                  |
| Director's Fee                                    | 32,000,000         | 32,000,000         |
| education supervision expenses                    | 7,000,000          | 0                  |
| Honorariums (expert opinion)                      | 0                  | 1,700,000          |
| Legal fees Expenses                               | 732,000            | 0                  |
| Materials Testing Services Expenses               | 1,375,000          | 0                  |
| Port charges                                      | 1,850,000          | 400,000            |
| Registration Fees Expenses                        | 29,405,000         | 5,485,000          |
| Royalty                                           | 627,000            | 0                  |
| Surveys                                           | 14,258,581         | 0                  |
| Weights and Measures Instruments                  | 4,005,000          | 150,000            |
|                                                   | <b>107,199,541</b> | <b>44,740,000</b>  |
| <b>54 - Expected Credit Loss</b>                  |                    |                    |
| Expected Credit Loss                              | 121,517            | 255,544            |
|                                                   | <b>121,517</b>     | <b>255,544</b>     |
| <b>60 - Other Transfers</b>                       |                    |                    |
| Contribution to CF (15%)                          | 20,000,000         | 0                  |
| LITA- Maziwa Faida Projects                       | 103,495,966        | 0                  |
| BBT Fund transferred to TADB Bank                 | 245,000,000        | 0                  |
|                                                   | <b>368,495,966</b> | <b>0</b>           |
| <b>62 - Cash and Cash Equivalents</b>             |                    |                    |
| BoT Own source Collection Account                 | 10,991,700         | 0                  |
| Deposit Cash Account                              | 720,953,996        | 39,634,964         |
| Development Expenditure Cash Account              | 69,990,262         | 126,537,664        |
| Own source Collection Account - NMB               | 24,937,900         | 19,394,650         |
| Own source Development Expenditure                | 0                  | 54                 |
| Own source Recurrent Expenditure GF               | 0                  | 1,521,918          |

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|                                         |                      |                      |
|-----------------------------------------|----------------------|----------------------|
| Provision for ECL (Cash)                | (377,061)            | (255,544)            |
| Recurrent Expenditure Cash Account      | 0                    | 5,382,566            |
| Unapplied Cash Account                  | 5,029,070            | 2,359,723            |
|                                         | <b>831,525,866</b>   | <b>194,575,996</b>   |
| <b>69 - Prepayments</b>                 |                      |                      |
| Prepayments Assets - Monetary           | 154,416,613          | 0                    |
|                                         | <b>154,416,613</b>   | <b>0</b>             |
| <b>70 - Inventories</b>                 |                      |                      |
| Building Addition                       | 9,701,750            | 181,175,400          |
| Consumables                             | 6,093,944            | 7,541,842            |
| Fuel                                    | 0                    | 4,590,000            |
| Learning Materials                      | 0                    | 295,380,000          |
| Non-Cash Inventories (biological asset) | 2,224,260,000        | 2,521,765,000        |
|                                         | <b>2,238,447,809</b> | <b>3,010,452,242</b> |
| <b>94 - Deposits</b>                    |                      |                      |
| Deposit General                         | 720,953,996          | 39,634,964           |
| Unapplied Deposit Account Addition      | 5,029,070            | 2,359,723            |
|                                         | <b>725,983,066</b>   | <b>41,994,687</b>    |

  
Prof. Erick Vitus Komba  
Director General

13.03.2025  
Date

THE UNITED REPUBLIC OF TANZANIA  
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**77. Property Plant and Equipment**

| Descriptions                                                   | Cost/Revaluation      |                         |                             | Accumulated Depreciation and Impairment |                                                    |                                              |                    |
|----------------------------------------------------------------|-----------------------|-------------------------|-----------------------------|-----------------------------------------|----------------------------------------------------|----------------------------------------------|--------------------|
|                                                                | At 01-July-2023 (TZS) | Addition Monetary (TZS) | Addition Non-Monetary (TZS) | 30 June 2024 (TZS)                      | Charges During the year Depreciation 2023/24 (TZS) | Accumulated Depreciation 1st July 2023 (TZS) | 30 June 2024 (TZS) |
| Acquisition of land                                            | 2,475,224,800         | 0                       | 0                           | 2,475,224,800                           | -                                                  | -                                            | 2,475,224,800.00   |
| Agriculture and livestock extension                            | 34,120,000            | 0                       | 0                           | 34,120,000                              | 1,364,800.00                                       | 10,918,400.00                                | 12,283,200.00      |
| Hardware: servers and equipment (incl. desktops, laptops etc.) | 370,604,185           | 13,500,000.00           | 0                           | 384,104,185                             | 48,013,023.13                                      | 312,024,278.00                               | 360,037,301.13     |
| Laboratory equipment and instruments                           | 143,150,173           | 57,120,000.00           | 0                           | 200,270,173                             | 20,027,017.30                                      | 71,575,086.00                                | 91,602,103.30      |
| Motor vehicles                                                 | 1,625,025,660         | 154,416,613.05          |                             | 1,779,442,273                           | 177,944,227.31                                     | 859,214,757.04                               | 1,037,158,984.35   |
| Motorbikes and bicycles                                        | 186,977,573           | 3,375,000.00            | 60,000,000                  | 250,352,573                             | 35,764,653.29                                      | 132,151,298.00                               | 167,915,951.29     |
| Office buildings and structures                                | 2,093,309,945         | 551,275,000             | 0                           | 2,644,584,945                           | 52,667,237.81                                      | 411,687,032.00                               | 464,354,269.81     |
| Office Furniture and Fittings                                  | 544,343,501           | 0                       | 0                           | 544,343,501                             | 54,434,350.10                                      | 349,519,565.00                               | 403,953,915.10     |
| Other Office equipment                                         | 399,136,990           | 24,000,000.00           | 0                           | 423,136,990                             | 42,313,699.00                                      | 294,944,803.00                               | 337,258,502.00     |
| Plant and Machinery                                            | 3,145,568,834         | 223,590,000.00          | 0                           | 3,369,158,834                           | 215,691,866.47                                     | 629,092,501.00                               | 844,784,367.47     |
| Printers and Scanners                                          | 96,915,000            | 3,500,000.00            | 0                           | 100,415,000                             | 12,551,875.00                                      | 57,191,676.00                                | 69,743,551.00      |
|                                                                |                       |                         |                             |                                         |                                                    |                                              | 2,180,230,675.19   |
|                                                                |                       |                         |                             |                                         |                                                    |                                              | 742,283,288.70     |
|                                                                |                       |                         |                             |                                         |                                                    |                                              | 82,436,621.71      |
|                                                                |                       |                         |                             |                                         |                                                    |                                              | 2,180,230,675.19   |
|                                                                |                       |                         |                             |                                         |                                                    |                                              | 140,389,585.90     |
|                                                                |                       |                         |                             |                                         |                                                    |                                              | 85,878,488.00      |
|                                                                |                       |                         |                             |                                         |                                                    |                                              | 2,524,374,466.53   |
|                                                                |                       |                         |                             |                                         |                                                    |                                              | 30,671,449.00      |

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| Cost/Revaluation                                          |                       |                         |                             |                    | Accumulated Depreciation and Impairment      |                                                    |                    |                             |
|-----------------------------------------------------------|-----------------------|-------------------------|-----------------------------|--------------------|----------------------------------------------|----------------------------------------------------|--------------------|-----------------------------|
| Descriptions                                              | At 01-July-2023 (TZS) | Addition Monetary (TZS) | Addition Non-Monetary (TZS) | 30 June 2024 (TZS) | Accumulated Depreciation 1st July 2023 (TZS) | Charges During the year Depreciation 2023/24 (TZS) | 30 June 2024 (TZS) | Carrying (TZS) 30 June 2024 |
| Telecommunications Infrastructure, networks and equipment | 30,409,736            | 0                       | 0                           | 30,409,736         | 19,232,887.00                                | 3,040,973.60                                       | 22,273,860.60      | 8,135,875.40                |
| TOTAL                                                     | 11,144,786,396        | 1,030,776,613.05        | 60,000,000                  | 12,235,563,010     | 3,147,552,283.04                             | 663,813,723.01                                     | 3,811,366,006.05   | 8,424,197,004.00            |

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**77- Property Plant and Equipment**

| Cost / Revaluation -TZS                                      |                 |                   |                         |              |               |             | Accumulated Depreciation / Impairment - TZS |           |             |                | Amount - TZS |  |
|--------------------------------------------------------------|-----------------|-------------------|-------------------------|--------------|---------------|-------------|---------------------------------------------|-----------|-------------|----------------|--------------|--|
| Descriptions                                                 | At 01-July 2022 | Addition Monetary | Addition Non - Monetary | Transfer     | 30 June 2023  | 1-Jul-23    | Changes During the Year - Depreciation      | Transfer  | 30-Jun-23   | Carrying Value |              |  |
| Acquisition of Land                                          | 2,475,224,800   |                   |                         |              | 2,475,224,800 |             |                                             |           |             | 2,475,224,800  |              |  |
| Agriculture and livestock extension                          | 34,120,000      |                   |                         |              | 34,120,000    | 9,553,600   | 1,364,800                                   |           | 10,918,400  | 23,201,600     |              |  |
| Hardware: servers and equipment (incl. Desktops, laptops ..) | 356,904,185     | 9,900,000.00      | 3,800,000               |              | 370,604,185   | 270,220,503 | 41,803,775.39                               |           | 312,024,276 | 58,579,909     |              |  |
| Laboratory equipment and instruments                         | 143,150,173     |                   |                         |              | 143,150,173   | 57,260,068  | 14,315,017                                  |           | 71,575,086  | 71,575,087     |              |  |
| Motor vehicles                                               | 1,427,754,202   | 99,948,203.89     | 97,323,251              |              | 1,625,025,657 | 720,667,190 | 162,502,565.84                              |           | 883,169,756 | 741,855,901    |              |  |
| Motorbikes                                                   | 183,907,573     | 30,700,000.00     |                         | (27,630,000) | 186,977,573   | 121,260,619 | 11,877,465                                  | (986,786) | 132,151,298 | 54,826,275     |              |  |
| Office buildings and structures                              | 2,093,309,945   |                   |                         |              | 2,093,309,945 | 293,063,282 | 118,623,749.68                              |           | 411,687,032 | 1,681,622,913  |              |  |
| Office furniture and fittings                                | 540,013,501     | 4,330,000.00      |                         |              | 544,343,501   | 243,220,180 | 106,299,385                                 |           | 349,519,565 | 194,823,936    |              |  |

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| Cost / Revaluation - TZS                            |                 |                   |                         |              | Accumulated Depreciation / Impairment - TZS |                |                                        |            | Amount - TZS  |                |
|-----------------------------------------------------|-----------------|-------------------|-------------------------|--------------|---------------------------------------------|----------------|----------------------------------------|------------|---------------|----------------|
| Descriptions                                        | At 01-July 2022 | Addition Monetary | Addition Non - Monetary | Transfer     | 30 June 2023                                | 1-Jul-23       | Changes During the Year - Depreciation | Transfer   | 30-Jun-23     | Carrying Value |
| Other equipment's                                   | 374,696,989     | 12,840,001.00     | 11,600,000              |              | 399,136,990                                 | 213,921,516    | 81,023,286.86                          |            | 294,944,803   | 104,192,187    |
| Plant and machinery                                 | 2,250,377,997   | 642,810,000.00    | 252,380,837             |              | 3,145,568,834                               | 400,079,962.00 | 229,012,538.95                         |            | 629,092,501   | 2,516,476,333  |
| Printers and scanners                               | 90,845,000      | 6,070,000.00      |                         |              | 96,915,000                                  | 48,450,408.00  | 8,741,268.22                           |            | 57,191,676    | 39,723,324     |
| Telecommunications infrastructure network equipment | 30,409,736      |                   |                         |              | 30,409,736                                  | 16,506,068     | 2,726,819                              |            | 19,232,887    | 11,176,849     |
| TOTAL                                               | 10,000,714,101  | 806,598,204.89    | 365,104,088             | (27,630,000) | 11,144,786,396                              | 2,394,203,396  | 778,290,672                            | (986,786 ) | 3,171,507,282 | 7,973,279,114  |

*Prof. Erick*

Prof. Erick Vitus Komba  
Director General

13.03.2025

Date

Controller and Auditor General

AR/CG/TALIRI/2023/24

THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF LIVESTOCK AND FISHERIES  
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**89 Payable**

| Payable for the year ended 30 June 2024 |                         |                       |                       |                       |
|-----------------------------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| Descriptions                            | Open                    | Paid                  | Addition              | Total                 |
| Staff Claims                            | 653,017,855.00          | 103,208,200.00        | 166,136,752.68        | 715,946,407.68        |
| Supplies of goods and services          | 556,500,819.00          | 307,207,399.36        | 11,525,393.68         | 260,818,813.32        |
| <b>Total</b>                            | <b>1,209,518,674.00</b> | <b>410,415,599.36</b> | <b>177,662,146.36</b> | <b>976,765,221.00</b> |

| 93 - Deferred Income        |                        |                      |                      |                            |
|-----------------------------|------------------------|----------------------|----------------------|----------------------------|
| Descriptions                | Opening<br>1 July 2023 | Increase in Deferred | Decrease in Deferred | Balance as at 30 June 2024 |
| Deferred Subvention Revenue | 0                      | 29,583,333           | 29,583,333           |                            |
| Development Deferred Income | 126,537,664            | 3,990,655,813        | 4,047,203,216        | 69,990,262                 |
| Recurrent Deferred Income   | 5,382,566              | 4,699,974,497        | 4,705,357,063        |                            |
| <b>TOTAL</b>                | <b>131,920,231</b>     | <b>8,720,213,643</b> | <b>8,782,143,612</b> | <b>69,990,262</b>          |

**30. Commitments**

During the reporting period, TALIRI has made no commitments.

**31. Contingent Liabilities**

A contingent liability is defined as a liability that may arise depending on the outcome of a specific event. It is a possible obligation that may or may not arise depending on how a future event unfolds. A contingent liability is not recognized but rather disclosed since it does not meet the criteria for recognizing as a liability.

During the year under review, there were no contingent liabilities.

**32. Contingent Assets**

Is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of an entity. It's the potential economic benefit that is dependent on future events out of TALIRI's control. There were no contingent assets for the year ended 30 June 2024

**33. Provisions**

Provisions are made for future liabilities and expenses where has a present legal or constructive obligation as a result of past events, and it is probable that the Institute will be required to settle the obligation, and the value can be reliably measured. During the reporting period, TALIRI had no provision realized.

**34. Guarantees**

There were no guarantees for the year ended 30 June 2024 (2022/23: NIL).

**35. Number of Employees**

The number of permanent employees for the year ended 30 June 2024 was 219 (2022/23: 207).

**36. Impairment of Asset**

The Institute assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Institute estimates the asset recoverable service amount as the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount. During the year there was no impairment indicator for assets.

The Institute treated all assets as non-cash generating assets. The criteria developed to distinguish non-cash-generating assets from cash-generating assets is the core objective of TALIRI.

**37 Donor project fund**

All donors' project funds received by the Institute are treated as income to the Institute because the funds are not attached to any condition.

**37. Reconciliation of Surplus with Net Cash flow from Operating Activities**

The Government through Circular No. 11 of 2014/15 adopted a direct method of reporting cash flows from operating activities in line with Para 28 & 29 of IPSAS 2. This option as per the referred standard requires reporting entities to provide a reconciliation of the surplus/deficit from ordinary activities with the net cash flow from operating activities

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Reconciliation of Net Cash flows from operating activities to surplus/ (deficit) for the period ended 30 June 2024

|                                                                 | 2024<br>TZS          | 2023<br>TZS        |
|-----------------------------------------------------------------|----------------------|--------------------|
| Surplus/ Deficit for the Period                                 | 80,974,986           | 958,804,325        |
| <b>Add/ (Less) Non-Cash Item</b>                                |                      |                    |
| Current Grants From other General Government Units-non-monetary | (60,000,000)         | (473,064,001)      |
| Depreciation of Property, Plant and Equipment                   | 663,813,723          | 778,290,672        |
| Expected Credit Loss Impairment                                 | 121,517              | 255,544            |
| Use of Goods and Service                                        | 290,757,127          | 54,561,800         |
| <b>Add/ (Less) Change in Working Capital</b>                    |                      |                    |
| Deferred Income                                                 | (61,929,969)         | 127,097,715        |
| Inventories                                                     | 781,706,183          | -1,031,082,242     |
| Other Receipt                                                   | 683,988,379          | (101,206,487)      |
| Payables and Accruals                                           | (557,167,331)        | 527,282,205        |
| <b>Net Cash Flow from Operating Activities</b>                  | <b>1,822,264,616</b> | <b>840,939,531</b> |

  
Prof. Erick Vitus Komba  
Director General

13.03.2025  
Date

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NOTES TO THE FINANCIAL STATEMENTS ENDED 30 JUNE 2024

**Notes - cash flow statement for the period ended 30 June 2024**

|                                                                              | 2024          | 2023          |
|------------------------------------------------------------------------------|---------------|---------------|
|                                                                              | TZS           | TZS           |
| <b>119 - Advance Payment for Acquisition of Property Plant and Equipment</b> |               |               |
|                                                                              | 0             | 0             |
| Prepayments Assets - Monetary                                                | (154,416,613) | 0             |
| Payment                                                                      | (154,416,613) | 0             |
| <b>120 - Revenue Grants</b>                                                  |               |               |
|                                                                              | 0             | 0             |
| Government Grant Personal Emolument                                          | 3,666,357,534 | 3,443,679,000 |
| Government Grant Development Foreign                                         | 3,143,000,591 | 1,126,264,331 |
| Government Grant Development Local                                           | 734,207,500   | 1,354,631,125 |
| Government Grant Other Charges                                               | 971,993,600   | 427,693,199   |
| Revenue Grants - Non-Monetary                                                | 60,000,000    | 473,064,001   |
| Revenue                                                                      | 8,575,559,225 | 6,825,331,656 |
| <b>Add/Less (Change in Working Capital)</b>                                  |               |               |
| Development Deferred Income Addition                                         | (56,547,403)  | 126,134,271   |
| Recurrent Deferred Income Addition                                           | (5,382,566)   | 963,443       |
| Revenue Grants - Non-Monetary                                                | (60,000,000)  | (473,064,001) |
|                                                                              | (121,929,969) | (345,966,286) |
| Receipt                                                                      | 8,453,629,256 | 6,479,365,370 |
| <b>121 - Revenue from Exchange Transactions</b>                              |               |               |
|                                                                              | 0             | 0             |
| Agriculture and Farm produce                                                 | 326,254,379   | 380,929,158   |
| Revenue from the Sale of Seeds & Seedlings                                   | 0             | 31,260,000    |
| Compounding Fees                                                             | 4,230,050     | 46,505,800    |
| Miscellaneous Revenue                                                        | 304,998,644   | 268,057,658   |
| Revenue                                                                      | 635,483,073   | 726,752,616   |
| <b>122- Wages, Salaries, and Employee Benefits</b>                           | 0             | 0             |
| Casual Labour Discretionary                                                  | 6,078,090     | 0             |
| Casual Labour Expenses                                                       | 334,850,663   | 264,080,657   |

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|                                                           |                      |                      |
|-----------------------------------------------------------|----------------------|----------------------|
| Casual Labourers                                          | 9,880,540            | 0                    |
| Civil Servants                                            | 3,666,357,534        | 3,443,679,000        |
| Court Attire Allowance                                    | 1,000,000            | 850,000              |
| Electricity                                               | 7,946,906            | 7,097,238            |
| Electricity Allowance                                     | 34,846,877           | 9,769,750            |
| Extra-Duty                                                | 227,333,281          | 87,874,902           |
| Food and Refreshment                                      | 55,060,788           | 0                    |
| Fuel Allowance                                            | 92,099,989           | 0                    |
| Honoraria                                                 | 29,447,155           | 1,192,194            |
| Housing Allowance discretionary Expenses                  | 25,000,000           | 2,800,000            |
| Housing allowance Expenses                                | 38,331,000           | 12,600,000           |
| Leave Travel                                              | 25,860,291           | 2,341,880            |
| Local Staff Salaries                                      | 3,700,000            | 0                    |
| Moving Expenses                                           | 4,125,400            | 44,534,392           |
| Responsibility Allowance                                  | 146,131,071          | 30,000,000           |
| Sitting Allowance                                         | 65,299,705           | 22,272,370           |
| Subsistence Allowance                                     | 9,000,000            | 15,980,000           |
| Telephone                                                 | 73,319,429           | 2,939,903            |
| Telephone Allowance                                       | 29,755,000           | 13,385,000           |
| <b>Expenses</b>                                           | <b>4,885,423,718</b> | <b>3,961,397,286</b> |
| <b>Add/Less (Change in Working Capital)</b>               |                      |                      |
| Staff Claim Addition                                      | 191,251,581          | (357,388,333)        |
| Wages Salaries and Employee Benefit Opening               | (202,868,329)        | 0                    |
|                                                           | (11,616,748)         | (357,388,333)        |
| <b>Payment</b>                                            | <b>4,873,806,970</b> | <b>3,604,008,952</b> |
| <b>123 - Use of Goods and Service</b>                     |                      |                      |
|                                                           | 0                    | 0                    |
| Acaricides                                                | 1,384,000            | 4,395,800            |
| Accommodation Training - Domestic                         | 69,098,004           | 13,500,000           |
| Advertising and publication                               | 1,988,000            | 160,807              |
| Advertising and Publication - Communication & Information | 6,086,960            | 2,000,000            |
| Agricultural Chemicals                                    | 2,450,000            | 1,592,000            |
| Agricultural Implements                                   | 134,244,285          | 353,127,773          |
| Air Travel Tickets Travel - In - Country                  | 3,562,210            | 0                    |
| Air Travel Tickets Travel Out Of Country                  | 45,860,950           |                      |
| Animal Feeds                                              | 143,465,629          | 236,539,560          |
| Cleaning Supplies - Use of goods and Services             | 67                   | 293,000              |
| Computer Software - Use of goods and Services             | 0                    | 280,000              |

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NOTES TO THE FINANCIAL STATEMENTS ENDED 30 JUNE 2024

|                                                              |             |             |
|--------------------------------------------------------------|-------------|-------------|
| Computer Supplies and Accessories                            | 6,285,122   | 10,000,000  |
| Conference Facilities                                        | 27,106,796  | 2,995,000   |
| Diesel                                                       | 119,881,014 | 66,413,442  |
| e Training Materials                                         | 100,000     | 0           |
| Electricity - Utilities Supplies and Services                | 9,498,252   | 0           |
| Exhibition, Festivals and Celebrations                       | 6,164,838   | 1,950,000   |
| Fertilizers                                                  | 0           | 13,700,000  |
| Food and Refreshments                                        | 0           | 15,862,173  |
| Furniture and Appliances                                     | 0           | 3,500,000   |
| Gifts and Prizes                                             | 3,000,000   | 500,000     |
| Ground Transport (Bus, Train, Water)                         | 1,538,000   | 2,279,000   |
| Ground travel (bus, railway taxi, etc) Travel - In - Country | 65,091,948  | 22,877,618  |
| Ground travel (bus, railway taxi, etc) Travel Out Of Country | 320,000     | 0           |
| Internet and Email connections                               | 32,898,855  | 6,817,725   |
| Laboratory Supplies                                          | 27,232,143  | 24,675,452  |
| Lubricants                                                   | 938,000     | 0           |
| Mobile Charges                                               | 800,000     | 0           |
| Office Consumables (papers, pencils, pens, and stationaries) | 220,470,112 | 103,269,255 |
| Outsourcing Costs (includes cleaning and security services)  | 200,000     | 0           |
| Per Diem - Domestic                                          | 847,071,175 | 168,195,989 |
| Per Diem - Foreign                                           | 29,013,000  | 50,859,936  |
| Posts and Telegraphs                                         | 1,387,750   | 359,903     |
| Printing and Photocopy paper                                 | 140,000     | 0           |
| Printing and Photocopying Costs                              | 0           | 380,000     |
| Protective Clothing, footwear and gears                      | 377,372     | 4,961,910   |
| Purchased Electricity - TANESCO                              | 0           | 5,782,160   |
| Rent of Vehicles and Crafts                                  | 8,000,000   | 6,650,000   |
| Sample analysis                                              | 2,500,000   | 0           |
| Seeds                                                        | 37,036,619  | 63,142,378  |
| Settlement of Supplier Debts                                 | 236,987,738 | 173,427,861 |
| Small engineering tools and equipment                        | 0           | 1,036,000   |
| Special Uniforms and Clothing                                | 540,000     | 0           |
| Subscription Fees                                            | 12,923,000  | 1,785,000   |
| Telephone Charges (Land Lines)                               | 2,540,000   | 467,709     |
| Training Materials                                           | 4,000,000   | 0           |
| Tuition Fees Training - Domestic                             | 48,766,632  | 4,790,000   |
| Tuition Fees Training - Foreign                              | 3,145,000   | 0           |
| Uniforms and Ceremonial Dresses                              | 2,576,151   | 0           |
| Uniforms -Clothing, Bedding, Footwear and Services           | 5,790,000   | 500,000     |

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|                                                                           |                      |                      |
|---------------------------------------------------------------------------|----------------------|----------------------|
| Vaccines                                                                  | 3,013,000            | 3,391,800            |
| Veterinary Drugs and Medicine                                             | 13,930,017           | 11,394,800           |
| Visa Application Fees                                                     | 373,200              | 2,400,000            |
| Water Charges                                                             | 29,645,351           | 1,922,611            |
| Wire, Wireless, Telephone, Telex Services, and Facsimile                  | 0                    | 2,939,145            |
| <b>Expenses</b>                                                           | <b>2,219,421,191</b> | <b>1,391,137,007</b> |
| <b>Add/Less (Change in Working Capital)</b>                               |                      |                      |
| Building Addition                                                         | (171,473,650)        | 181,175,400          |
| Consumables                                                               | (1,447,898)          | 7,541,842            |
| Fuel                                                                      | (4,590,000)          | 4,590,000            |
| Learning Materials                                                        | (295,380,000)        | 295,380,000          |
| Non-Cash Inventories (biological asset)                                   | (297,505,000)        | 542,395,000          |
| Supplies of goods and services Addition                                   | 320,486,706          | (343,321,734)        |
|                                                                           | <b>(449,909,842)</b> | <b>687,760,508</b>   |
| <b>Payment</b>                                                            | <b>1,769,511,349</b> | <b>2,078,897,514</b> |
| <b>124 - Maintenance Expenses</b>                                         |                      |                      |
| Cement, bricks and construction and Building Materials                    | 627,701,718          | 114,760,132          |
| Cement, bricks, and construction materials                                | 627,701,718          | 333,043,288          |
| Computers, printers, scanners, and other computer-related equipment       | 6,314,000            | 200,000              |
| Direct labour (contracted or casual hire) - Buildings                     | 35,385,298           | 1,949,970            |
| Medical and Laboratory equipment                                          | 225,000              | 14,092,500           |
| Metal Fence and Posts - Buildings                                         | 0                    | 235,000              |
| Motor Vehicles and Water Craft                                            | 64,564,477           | 10,772,422           |
| Outsource maintenance contract services - Buildings                       | 320,000              | 1,916,000            |
| Outsource maintenance contract services - Machinery, Equipment, and Plant | 1,510,000            | 4,883,437            |
| Panel and body shop repair materials and services                         | 95,680,773           | 39,843,517           |
| Photocopiers                                                              | 0                    | 6,610,000            |
| Pipes and Fittings                                                        | 107,000              | 996,500              |
| Precision tools, weights, and measures instruments                        | 0                    | 150,000              |
| Repair and Maintenance of Sewerage System                                 | 14,000               | 6,121,234            |
| Small tools and equipment                                                 | 0                    | 751,500              |
| <b>Expenses</b>                                                           | <b>831,822,266</b>   | <b>536,325,501</b>   |
| <b>125 - Other Expenses</b>                                               |                      |                      |
| Agency fees                                                               | 750,000              | 0                    |
| Audit fees Expenses                                                       | 0                    | 600,000              |
| Burial Expenses                                                           | 0                    | 4,100,000            |
| Business licenses Expenses                                                | 4,030,000            | 305,000              |

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|                                     |                 |                      |
|-------------------------------------|-----------------|----------------------|
| Consultancy fees                    | 11,166,960      | 0                    |
| Director's Fee                      | 32,000,000      | 32,000,000           |
| Education supervision expenses      | 7,000,000       | 0                    |
| Honorariums (expert opinion)        | 0               | 1,700,000            |
| Legal fees Expenses                 | 732,000         | 0                    |
| Materials Testing Services Expenses | 1,375,000       | 0                    |
| Port charges                        | 1,850,000       | 400,000              |
| Registration Fees Expenses          | 29,405,000      | 5,485,000            |
| Royalty                             | 627,000         | 0                    |
| Surveys                             | 14,258,581      | 0                    |
| Weights and Measures Instruments    | 4,005,000       | 150,000              |
|                                     | <b>Expenses</b> | <b>107,199,541</b>   |
| <b>126 - Other Transfers</b>        |                 |                      |
|                                     | 0               | 0                    |
| Contribution to CF (15%)            | 20,000,000      | 0                    |
| LITA Maziwa Faida Project           | 103,495,966     | 0                    |
| BBT FUND To TADB Bank               | 245,000,000     | 0                    |
|                                     | <b>Expenses</b> | <b>368,495,966</b>   |
| <b>127 - Deposit</b>                |                 |                      |
| Deposit General                     | (681,319,032)   | 103,466,210          |
| Unapplied Deposit Account Addition  | (2,669,347)     | (2,259,723)          |
|                                     | <b>Revenue</b>  | <b>(683,988,379)</b> |
|                                     |                 | <b>101,206,487</b>   |

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128- Acquisition of Property, Plant and Equipment

|                                                                | 2024<br>TZS        | 2023<br>TZS      |
|----------------------------------------------------------------|--------------------|------------------|
| Hardware: servers and equipment (incl. desktops, laptops etc.) | (13,500,000.00)    | (9,900,000.00)   |
| Laboratory equipment and instruments                           | (57,120,000.00)    | 0                |
| Motor vehicles                                                 | (154,416,613.05)   | (99,948,203.89)  |
| Motorbikes and bicycles                                        | (3,375,000.00)     | (30,700,000.00)  |
| Office buildings and structures                                | (551,275,000)      | 0                |
| Office Furniture and Fittings                                  | 0                  | (4,330,000.00)   |
| Other Office equipment                                         | (24,000,000.00)    | (12,840,001.00)  |
| Plant and Machinery                                            | (223,590,000.00)   | (642,810,000.00) |
| Printers and Scanners                                          | (3,500,000.00)     | (6,070,000.00)   |
| Payment                                                        | (1,030,776,613.05) | (806,598,204.89) |

  
Prof. Erick Vitus Komba  
Director Gener

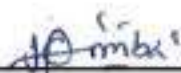
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Date

THE UNITED REPUBLIC OF TANZANIA  
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**NOTES TO THE FINANCIAL STATEMENTS ENDED 30 JUNE 2024**

**SUPPLEMENTARY INFORMATION**

**38. List of Transactions/Balances with Other Government Entities for The Financial Year 2023/24**

| TRANSACTIONS WITH OTHER GOVERNMENT ENTITIES FOR THE YEAR ENDED 30 JUNE, 2024 |                                   |                                                 |                    |                       |
|------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------|--------------------|-----------------------|
| S/N                                                                          | Goods/Services Received (Revenue) | Goods/Services Received (Expenses)              | Counterpart entity | Amount                |
| 1.                                                                           |                                   | Services-Fuel/office consumables/Motor vehicles | GPSA               | 432,235,835.42        |
| 2.                                                                           |                                   | Services - water supply                         | DUWASA             | 561,466.66            |
| 3.                                                                           |                                   | Services - water supply                         | TAWASA             | 22,437,478.00         |
| 4.                                                                           |                                   | Services - water supply                         | MTUWASA            | 4,249,473.07          |
| 5.                                                                           |                                   | Services - Fibre cable                          | e-Government       | 14,258,580.50         |
| 6.                                                                           |                                   | Services - Box rent                             | Posts              | 859,000.00            |
| 7.                                                                           |                                   | Services - Internet                             | TTCL               | 9,734,890.37          |
| 9.                                                                           |                                   | Services - Bore drilling                        | GSOT               | 14,505,000.00         |
| 10.                                                                          |                                   | Services - Fees                                 | TVLA               | 18,079,000.00         |
| 11.                                                                          |                                   | Services - Training and Fees                    | PPRA               | 15,350,000.00         |
| 12.                                                                          |                                   | Services -Electricity                           | TANESCO            | 600,000.00            |
| 14.                                                                          |                                   | Services -                                      | NEMC               | 10,000,000.00         |
| 15.                                                                          |                                   | Services - Fees                                 | TPSC               | 1,200,000.00          |
| 16.                                                                          |                                   | Services - Seed certification                   | TOSCI              | 7,000,000.00          |
| 17.                                                                          |                                   | Service -Fibre analysers                        | TBS                | 180,000.00            |
| <b>TOTAL</b>                                                                 |                                   |                                                 |                    | <b>551,250,724.02</b> |

  
Prof. Erick V. Komba  
Director General

13.03.2025  
Date