



THE UNITED REPUBLIC OF TANZANIA



NATIONAL AUDIT OFFICE

CEREALS AND OTHER PRODUCE BOARD OF TANZANIA

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023



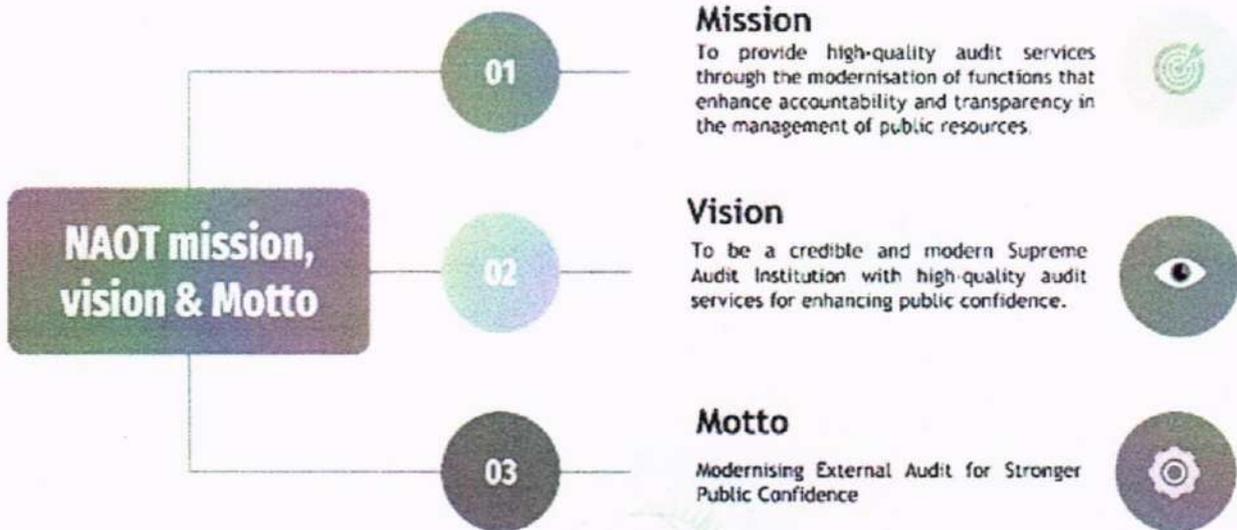
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March 2024

AR/PA/CPB/2022/23

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[R.E 2021]



Independence and objectivity

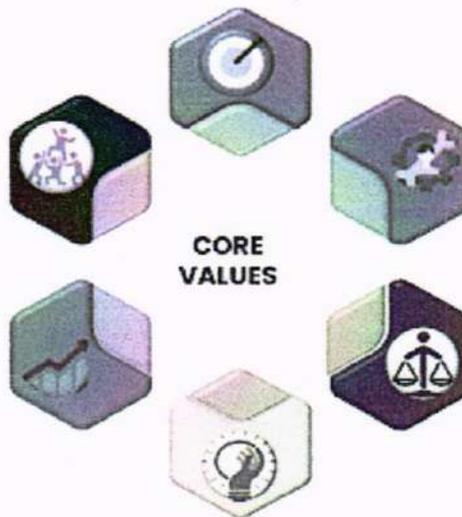
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

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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TABLE OF CONTENTS

Abbreviations	iii
1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL.....	1
2.0 STATEMENT OF DIRECTORS' RESPONSIBILITIES	17
3.0 DECLARATION OF THE HEAD OF FINANCE AND ADMINISTRATION OF CEREALS AND OTHER PRODUCE BOARD OF TANZANIA	18
4.0 FINANCIAL STATEMENTS	19

Abbreviations

CAG	Controller and Auditor General
IFRS	International Financial Reporting Standards
ISSAIs	International Standard of Supreme Audit Institutions
PAA	Public Audit Act
PAC	Public Accounts Committee
PAR	Public Audit Regulation
PFA	Public Finance Regulations
PPA	Public Procurement Act
PPR	Public Procurement Regulations

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the Board,
Cereals and Other Produce Board of Tanzania,
P.O. Box 337,
DODOMA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Qualified Opinion

I have audited the financial statements of Cereals and Other Produce Board of Tanzania, which comprise the statement of financial position as at 30 June 2023, and the statement of financial performance, statement of changes in net assets and 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, except for the effects of the matter described in the basis for qualified opinion section of my report, the accompanying financial statements present fairly in all material respects, the financial position of the Cereals and other produce Board as at 30 June 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) Accrual basis of accounting and in the manner required by the Public Finance Act, Cap. 348.

Basis for Qualified Opinion

i) Unbanked Cash TZS 147 million

During my review of sales revenue for the financial year 2022/23 in the Southern Highland zone, I found that TZS 147 million collected from point-of-sale transactions were not deposited into the board's bank account. This discrepancy contravenes paragraph 6.15 (i) & (iii) of the CPB Financial Policies and Accounting Procedures Manual (2016), which mandates the timely and intact deposit of all collected revenues. The failure to remit the full amount of collected revenue suggests a potential loss of funds due to misappropriation. This misstatement materially impacts the accurate representation of the board's financial statements.

ii) Unsupported Transportation Costs in Rice Paddy Mills Project: TZS 16.5 million

My review of the rice paddy mills project in Mkuyuni, Mwanza, revealed a discrepancy in transportation cost documentation. The project's total cost was TZS 2.3 billion, with TZS 909 million allocated for transporting plants and machinery from Dar es Salaam. However, CPB management could not substantiate TZS 16.5 million of these transportation costs with sufficient evidence (such as vouchers, contracts, or invoices). This lack of documentation raises concerns about the validity of these expenses and potential financial mismanagement within the project. The accuracy of the reported project costs for equipment is consequently compromised.

iii) Unsupported Construction Project Costs of TZS 199.97 million

My review of the construction project revealed a TZS 199.97 million discrepancy in costs. While the reported total cost is TZS 3.8 billion, CPB management could not provide supporting evidence for TZS 199.97 million of these expenses. The lack of documentation for payments made raises serious concerns about the accuracy and legitimacy of the reported costs.

iv) Inaccurate PPE Reporting Due to Missing Laptops TZS 5.6 million

During a physical verification, I found that two laptops with a combined value of TZS 5.6 million were missing. These laptops had been assigned to suspended employees and an ex-worker. Including the value of the missing laptops in Property, Plant, and Equipment reflects inaccuracies in the Board's financial statements.

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

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



Key Audit Matters

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

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

In addition, Section 10 (2) of the Public Audit Act, Cap 418 [R.E 2021] requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, Cap 410 [R.E 2022] 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 LEGISLATIONS

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 procurement of works, goods and services in the Cereal and Other Produce Board for the financial year 2022/23 as per the Public Procurement laws.

Based on the audit work performed, I state that procurement of goods, works, and services by the Cereal and Other Produce Board for the financial year 2022/23 is generally in compliance with the requirements of the Public Procurement laws, except for the matters described below.

i. Ineffective utilization of e-Procurement System

An audit revealed ineffective utilization of the e-Procurement System by CPB HQ, as well as a failure to adopt the system at zone offices. This is due to a lack of planning and funds

allocation by CPB management to ensure system adoption, contrasting with the requirements of Section 9(1)(k) of the Public Procurement Act (Cap 410) and its regulations.

ii. Non-use of standard tender document issued by PPRA

My review of tender no. PA/134/2022-23/HQ/C/15 for the provision of customer satisfaction survey services revealed that the bidding document and contract did not utilize the standard templates issued by the PPRA. This practice violates Regulations 184 and 233 of the PPR (2013).

iii. Non-submission of performance security

My review of contract no. PA/134/2022-23/HQ/C/15 awarded to M/s Power and Networks Backup Ltd for customer satisfaction survey services revealed that the contractor failed to submit the required performance security. This violates Regulation 29 of the PPR (2013) and relevant guidelines issued by the governing authority.

iv. Contract Not Vetted by Legal Officer of a procuring entity

My audit of contract no. PA/134/2022-23/HQ/C/15 for customer satisfaction survey services revealed that the contract was not vetted by the legal department before signing. This violates the requirements of the PPR (2013, as amended in 2016).

v. Paddy rice, valued at TZS 36.43 million, was procured and paid for but not delivered
A review of Goods Received Notes (as of 25 January 2024) revealed significant shortfalls in paddy rice deliveries from NYABUSAKAMA and LUBAMBAGWE, totalling TZS 36.43 million. This violates their contractual agreements and Regulation 242-(1) of the PPR (2013). The shortfall is attributed to inadequate follow-up and inspection by CPB Lake Zone management.

vi. Single-Supplier Procurement of Goods and Services Worth TZS 169.73 million

My review found that TZS 169.73 million in goods and services were procured from a single supplier through quotations, without obtaining bids from multiple vendors. This practice violates the Public Procurement Regulations 2013 [GN No. 446], which likely emphasize the importance of competitive tendering to ensure fairness and value for money.

1.2.1 Compliance with the Budget Act and other Budget Guidelines

I performed a compliance audit on budget formulation and execution in the Cereals and Other Produce Board of Tanzania for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

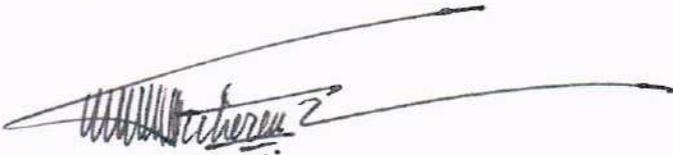
Based on the audit work performed, I state that the Cereals and Other Produce Board of Tanzania's budget formulation and execution for the financial year 2022/23 generally complies with the requirements of the Budget Act and other Budget Guidelines, except for the matters described below.

i. Significant under-collection of Revenue by TZS 80.99 billion

The Cereals and Other Produce Board (CPB) had budgeted to collect TZS 125.83 billion from its own source revenue. However, the CPB only managed to collect TZS 44.84 billion. This resulted in an under-collection by TZS 80.99 billion, equivalent to 64% of the expected revenue. The shortfall was primarily due to the lack of clear revenue forecasting methods,



which led to an inaccurate revenue budget. Additionally, inadequate control over revenue leakages and the absence of effective pricing strategies for targeted revenue collection also contributed to the under-collection.



Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2024



2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE

1.3 INTRODUCTION

The Board of Directors of Cereals and Other Produce Board (CPB) presents annual report together with financial statements for the financial year ended 30th June, 2023, which discloses the state of financial affairs of the Cereals and Other Produce Board (CPB). The report is prepared in accordance with the Tanzania Financial Reporting Standard Number 1 (TFRS1) issued by the National Board of Accountants and Auditors of Tanzania (NBAA).

During the year under review, the Cereals and Other Produce Board (CPB) continued to implement its mandate as provided in the Cereals and Other Produce Act No.19 of 2009 to ensure that CPB objectives are attained.

i) ESTABLISHMENT

The Cereals and Other Produce Board was established under the Cereals and Other Produce Act No. 19 of 2009 and became operational in 2010.

ii) CPB'S VISION

To be a world class organization in cereals and other produce trade and management.

iii) CPB'S MISSION

The Board shall be engaged in facilitating trade, promotion, development of cereals and other produce with quality that sustains profitability to the entire value chain to ultimately contribute to economic growth of the farmers and improved livelihood amongst Tanzanians.

iv) CORE VALUES

In providing quality services, CPB is guided by the following Core Values:

- 1) Value for Money;
- 2) Integrity;
- 3) Professionalism;
- 4) Team Work;
- 5) Entrepreneurships Spirit; and
- 6) Accountability

1.4 STATUTE AND PRINCIPAL ACTIVITIES

A summary of functions and objectives of the CPB are:

(a) To carry out commercial activities and such other activities as necessary, advantageous or prosper for the development of cereals and other produce industry: and

(b) To facilitate Agricultural research on cereals and other produce, Extension service to growers and other dealers of cereals and other produce, Input services including fertilizers and agrochemicals, Promotion of production, marketing, processing, and storage of cereals and other produce, Dissemination of information or data relating to cereals and other produce and Promotion of technological advancement in cereals and other produce; and Provision of assistance in the information of farmers' cooperatives or organizations

Resources and Strengths

Resources and strengths that facilitate the CPB endeavour in achieving its strategic objectives include human, financial and technological.

In terms of human resource, the CPB has well-qualified and committed staff dedicated to a long-term career in the CPB. Likewise, the management adheres to good governance that promotes good labour relations. From its strategic perspective, the CPB enhances its financial sufficiency by improving management of its resources through prioritization of initiatives, implementing initiatives within the available financial envelope and prudently managing its sources of income. On technological side, the CPB has made significant efforts of adopting modern technology to improve its day-to-day operations.

The CPB has also undertaken its endeavour to achieve its goals through its Strategic plan, market plan and business plan.

Capacity Building

To improve knowledge and skills of employees, the CPB continued to address skills requirements through annual corporate training plan and budget. In the financial year 2022/23, 36 staff attended professional training and short courses.

Enhance Compliance with Legislation, Regulations, Policies and Standards

During the year, the CPB continued to put emphasis on compliance with the Cereals and Other Produce Act No.19 of 2009, Public Procurement Act, 2011, Finance Act 2001 and other legislations, regulations, policies and standards in executing its mandate.

CPB Engagement with External Stakeholders

CPB continued to nurture its relationship with external stakeholders, seeking to gain confidence and trust in protecting the CPB reputation. In order to improve its reputation, the CPB continued to address stakeholders' needs, expectations and providing timely responses to stakeholders' inquiries, also continued to participate in various activities at national, regional and international level to disseminate information and provide public awareness on its operations in areas of roles and functions of the CPB. During the year under review CPB participated in Sabasaba, Nanenane and other international exhibitions. Also, key management staff travelling outside Tanzania to look market of cereals.

1.5 CORPORATE GOVERNANCE

CPB Board of Directors consists of twelve members. Apart from Director General who is the Secretary of the Board of Directors, no other member holds executive position in the Organization. The Board of Directors is responsible for the performance of functions and management of the affairs of the Organization which include responsibility of identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and review the performance of plans and budgets. The Board of Directors is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and compliance with sound corporate governance principles.

The Board of Directors is required to meet at least four times a year. The Board of Directors delegates day to day management of the Organization activities to the Director General assisted by Senior Management members. The Senior Management Members are invited to attend Board of Directors meetings and facilitate the effective control of all the Organization's operating activities, acting as the medium of communication and coordinating all various departments and divisions.

The Organization is committed to the principles of effective corporate governance. The Organization has a documented code of ethics which is communicated to everyone in the Organization and all employees abide by. The Directors also recognize the importance of integrity, transparency and accountability.

The Board of Directors in place. The Members of the Board of Directors currently serving the Organization since 24th August 2022 comprised of the following Members;

S/N	Name	Position	Age	Discipline/Qualifications	Nationality
1.	Salum Awadh Hagan	Chairman	44	CIMA, MBA in Finance	Tanzanian
2.	Fadhil Fabian Ngajilo	Board Member	44	Masters of Arts in History	Tanzanian
3.	Peter Serukamba	Board Member	51	MSc in Business Administration	Tanzanian
4.	Emmanuel Makwabe	Board Member	50	CPA (T), MSc. In Audit Management & Consultancy	Tanzanian
5.	Wilman Kapenjama Ndile.	Board Member	49	MSc. In Economics and Finance	Tanzanian
6.	Octavian Pendo Mshiu	Board Member	48	MBA in Marketing Management and Strategic Management	Tanzanian
7.	David Shambwe	Board Member	50	BCom in Marketing	Tanzanian
8.	Nicomed Mulda Bohay	Board Member	51	MSc in Business Administration, BBM	Tanzanian
9.	Beno Malisa	Board Member	45	MSc of Tax in Revenue and Administration, LLB	Tanzanian
10.	Halima Omari Dendego	Board Member	53	Masters of Business Administration	Tanzanian
11.	Revelian Ngaiza	Board Member	52	MBA in Agribusiness	Tanzanian
12.	Patrick M. Mongella	Secretary/DG	53	Master of Business Administration	Tanzanian

The Board of Directors is required to meet four times (once per quarter) in a year. During the year ended 30th June, 2023, the Board of Directors held four ordinary meetings and two special meetings. The Board of Directors is assisted by three Committees in the discharge of its functions. These are Board Audit and Finance Committee and Business Development Committee and Legal and Human Resource Committee.

1.5.1 THE AUDIT AND FINANCE COMMITTEE (FAC)

The Audit and Finance Committee is an oversight body of the Board of Directors designed to improve the Organization's overall governance framework. The Audit and Finance Committee is the Board of Directors' sub-committee which comprises three Members. Three out of them are Non-Executive Members. The Organization Secretary is the Secretary of the Committee. It is regulated by specific terms of reference and meets four times during the year. The Audit Committee charter cover four major areas, namely, Internal Control, Financial Reporting, Internal Audit and External Audit. The Audit Committee operates in accordance with Guidelines issued by the Internal Auditor General (IAG).

The External Auditors and Internal Auditors have access to at all times to the Finance and Audit Committee

The Members of the Audit Committee as at 30th June 2023 were as follows;

S/N	Name	Position	Age (Years)	Discipline/Qualifications	Nationality
1.	Emmanuel Makwabe	Chairman	50	CPA (T), MSc. In Audit Management & Consultancy	Tanzanian
2.	Wilman Kapenjama Ndile	Member	49	MSc. In Economics and Finance	Tanzanian
3.	Revelian Ngaiza	Member	52	MBA in Agribusiness	Tanzanian
4.	Patrick M. Mongella	Secretary/DG	53	Master of Business Administration	Tanzanian

The FAC held four ordinary meeting and one extra-ordinary meetings during the year ended 30th June 2023.

1.5.2 BUSINESS DEVELOPMENT COMMITTEE (BDC)

The Business Development Committee, like the Audit and Finance Committee is an oversight body of the Board of Directors designed to improve the Organization's overall business performance framework. The Business Development Committee is the Board of Directors' sub-committee which comprises five Members. Four out of them are Non-Executive Members, while one is the Executive Member (Director General) who is also the Secretary of the Committee. It is regulated by specific terms of reference and meets four times during the year. The Business Development Committee oversees the design, development and planning matters and marketing of CPB goods and services, identifies and evaluates new marketing and business development opportunities as well as providing the direction regarding new revenue generating opportunities and services.

The Members of the Committee as at 30 June 2023 were as follows;

S/N	Name	Position	Age (Years)	Discipline/Qualifications	Nationality
1.	Nicomed Mulda Bohay	Chairman	51	MSc in Business Administration, BBM	Tanzanian
2.	Peter Serukamba	Board Member	51	Masters in Business Administration	Tanzanian
3.	Octavian Pendo Mshiu	Board Member	48	MBA in Marketing Management and Strategic Management	Tanzanian
4.	David Shambwe	Board Member	50	BCom in Marketing	Tanzanian
5.	Patrick M. Mongella	Secretary/DG	53	Master of Business Administration	Tanzanian

The BDC held four ordinary meeting and one extra-ordinary meetings during the year ended 30th June 2023 that was chaired by Mr. Nicomed Mulda Bohay.

1.5.3 Legal and Human Resource Committee

The Legal and Human Resources Committee is like the other two Committees is an oversight body of the Board of Directors designed to improve the Legal performance and Human Resources development framework. The Legal and Human Resources Committee is the Board of Directors' sub-committee which comprises four Members. Three out of them are Non-Executive Members, while one is the Executive Member (Director General) who is also the

Executive Members, while one is the Executive Member (Director General) who is also the Secretary of the Committee. It is regulated by specific terms of reference and meets four times during the year.

The Members of the Committee as at 30th June 2023 were as follows;

S/N	Name	Position	Age (Years)	Discipline/Qualifications	Nationality
1.	Halima Omari Dendego	Chairperson	53	Master of Business Administration	Tanzanian
2.	Beno Malisa	Board Member	45	MSc of Tax in Revenue and Administration, LLB	Tanzanian
3.	Fadhil Fabian Ngajilo	Board Member	44	Master of Arts in History	Tanzanian
4.	Patrick M. Mongella	Secretary/DG	53	Master of Business Administration	Tanzanian

1.6 CAPITAL STRUCTURE

The Board Capital structure for the year under review is shown below:

	2022/23	2021/22
	TZS	TZS
Capital	12,697,082,200	10,697,082,200
Accumulated Surplus / (Deficit)	61,357,945,948.96	48,073,643,245
Balance as at year end	74,055,028,149	58,770,725,445

1.7 RELATIONSHIP WITH STAKEHOLDERS

During the financial year 2022/23 Cereals and Other Produce Board had a good relationship with stakeholders including its customers.

1.8 CASH FLOW PROJECTION

The cash flow statement provides information on the inflow and outflow of cash and cash equivalents for CPB. Cash flow stability reflects the fact that there is expected increase in cash receipts, production, processing and supply of cereal and other produce products from existing and new commercial projects after completion of new projects, and other activities that aim to improve the CPB production and processing capacity.

The cash and cash equivalent has increased from TZS 13.89 billion in financial year 2021/22 to TZS 14.6 billion in the financial period 2022/23.

1.9 MANAGEMENT

Management consisted of Director General, Director of Planning and Promotion, Director of Finance and Administration, Director of commercial services, 5 Zonal Managers, Marketing Manager, Planning Manager, Promotion Manager, Finance Manager and Human Resource & Administration Manager.

At the apex of the Organization is the Board of the Directors whose chairman is appointed by the President of the United Republic of Tanzania and its members are appointed by the Minister for Agriculture. The composition of the Board of Directors includes Government

officials, business community, industrialists and farmers. The Board of Directors is responsible for the performance and management of CPB's affairs. The Chief Executive Officer of the Organization is the Director General who is appointed by the Minister. The Organisation structure consists of three Departments headed by Directors namely:

- Planning and Promotion
- Finance and Administration
- Commercial services

Under the Departments, there are five operating sections and in the office of the Director General there are three staff Units. Each Division is responsible for its functional activities including provision of technical functions. These include Finance, Human Resources and Administration, Planning, Promotion, Marketing, Sales, Internal Audit, Legal and Information and Communication Technology. Also, the CPB has five Zones namely Central, Southern Highland, Lake, Northen, and Eastern headed by Mangers who are functionally reporting to the Director of Commercial Services.

1.10 RESULTS AND DIVIDENDS

The financial year 2022/23 was characterized by low agricultural productivity of key crops and food shortage due to climate change effects (low rainfall).

During the year under audit 2022/2023, the CPB recorded a deficit of TZS 1,996,995,800 compared to a net profit of TZS 3,143,523,813 in the financial year 2021/22 which was attributed to increased purchase cost of raw materials. The deficit is stated after charging the depreciation and amortization of TZS 1,731,758,832.

1.11 FUTURE PLANS

In the next five years CPB plan to:

- a) Concentrate on having the right people, process, tools, technology, brands and strategies in place to succeed on our journey forward.
- b) Continue to invest in our brands, drive category expansion and deliver consistent and profitable growth.
- c) Focus on areas that drive the greatest impact to the Government and public in general.
- d) Deepen our relationships and strengthen our collaboration with key stakeholders' and business segments to unlock further opportunities in market segments and leverage ecosystems as well as drive overall business growth.
- e) Invest in productivity to optimize our cost base and continue to be competitive for our customers.
- f) Concentrate on customer focus
- g) Accredite its facilities

1.12 RISK MANAGEMENT AND INTERNAL CONTROL

The Board's Management is responsible for ensuring the embedment and maintenance of effective control of risks in the Business by implementing Enterprise Risk Management Framework (ERMF). The Management also oversees the Business risk profile and provides assurance on the design of the governance and control framework and the operational effectiveness of internal controls.

1.13 KEY RISK AND UNCERTAINTIES

The key risks that may significantly affect the CPB's strategies and development are mainly financial, which is resulted from lack of investment capital and operational risk. Below we provide a description of the operational and strategic risks facing the CPB.

1.13.1 OPERATIONAL RISK

Includes both financial and non-financial resulting from inadequate human resource and systems, management failures, ineffective internal control processes, inadequate security. The main operational risks of the CPB's during the year were:

(a) Human resource risk

The particular nature of the activities of the CPB necessitates specialized knowledge in many areas. The CPB ensures that there is an adequate knowledge base for all specialized job requirements by investing significantly in human resource development in terms of capacity building and practical exposure. The CPB also organizes workshops, seminars, conferences and job attachments to its staff to improve its human resource requirements. It also revises its staff retention scheme to compete with the prevailing labour market.

(b) Business disruption and security risks

These include risks related to failure to execute business processes and events that compromise the assets, operations and objectives of the CPB. The risks might be due to lack of business continuity management, lack of good practices or controls on the CPB's activities.

CPB addresses these risks inter alia through ensuring existence of Business Continuity Management (BCM) and sound internal control system which includes: operational and procedural manuals, ICT security policies, back up facilities, contingency planning, and independent internal audit function. Managing operational risk in the CPB is an integral part of day to day operations by the management. Management, Internal Audit Function, Audit Committee and the Board of Directors closely monitors this risk.

(c) Legal risk

Legal risk arises from any uncertainty of enforceability, whether through legal or judicial processes, of the obligations of the CPB's clients and counter parties. The CPB aims at minimizing such uncertainties through continuous consultations with all relevant parties.

In mitigating this type of risk, the CPB ensures that all business agreements are contracted under Standard Industry Contracts. Where substantially different contracts and substantive changes to existing contracts are entered into, external lawyers are contracted. The CPB has in place a clear procedure of the delegation of authorities. Also, strict code of conduct and ethics is used to minimize chances of causing legal disputes between the CPB and its counterparts.

1.13.2 STRATEGIC RISK

This covers analytical and policy risk which is associated with economic and monetary policy formulation; business risk which refers to the probability of loss inherent in the CPB's operations and environment; performance risk which is associated with formulation and execution of business plans and strategies; and external risks which refer to threats from the external environment such as infrastructure disruption, financial crime and computer viruses, political, social and economic changes. Similar to operational risk, strategic risk may result into damage on the CPB's reputation.

The CPB has an obligation to ensure that it performs its functions and maintains its reputation.

In view of the above, the CPB's management ensures that it fulfils its fiduciary responsibilities. The CPB adheres to the best practices and applies principle of sound corporate governance. It also ensures that all relevant employees have clear understanding of the appropriate processes in respect of the best practices and principles of good governance.

The CPB therefore, sets out policies and guidelines that govern sound functional operations within the CPB. The performance of these policies and guidelines are periodically reported to different levels of the CPB's management for control and compliance monitoring.

1.14 EMPLOYEES WELFARE

(a) Management and employee's relationship

There is sound relationship between management and staff. Serious matters are placed under scrutiny to ensure that there is harmonious relationship between management and its staff.

(b) Training facilities

Budget was put aside in the financial year 2022/23 to facilitate Training, the trainings conducted in the year under review was on Quality assurance (5 employees), Risk Management (16 employees), information security by GSO (52 Employees), E -Office (4 employees), e-Procurement System of Tanzania (NeST, 3 Employees), Business plan (10 Employees), Team Building (13 Employees), Record Management (1 Employee), Training need assessment (1 Employee), and retirement preparation (3 Employee).

(c) Medical Assistance

CPB staff contributes to National Health Insurance Fund (NHIF) CPB facilitates to Staff deductions and ensure that they are paid on time.

(d) Health and safety

Effective health, safety and risk management is a priority for the CPB. The CPB's safety management system delivers a safe working environment by continuous and effectively assessing the working environment.

(e) Financial assistance to staff

During the year under review Cereals and Other Produce Board made no internal financial assistance to staff. CPB have relationship with CRDB Bank, NMB bank, PBZ and EQUITY Bank which offer loans to its staff.

(f) Persons with disabilities

During the financial year 2022/23 CPB had no person with disabilities.

(g) Voluntary agreement and worker's council

Currently there is no voluntary agreement with worker's council, although the negotiation with TUICO is in progress.

1.15 GENDER PARITY AND HUMAN RESOURCE MATTERS

Gender Parity

The CPB is an equal opportunity employer. It gives equal access 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 gender, marital status, tribes, religion and disability which does not impair ability to discharge duties. As at 30th June 2023 the CPB had the following distribution of employees by gender.

(I) Permanent Employees

Gender	2023	%	2022	%
Male	48	73	44	71
Female	16	27	18	29
Total	64	100	62	100

(II) Contractual Employees

Gender	2023	%	2022	%
Male	95	71	62	70
Female	38	29	26	30
Total	133	100	88	100

Human Resource and Administrative Matters

CPB received 4 transferred permanent staff to cover vacancies of Internal Auditor II, Marketing and Sales Officer II, Human resources Officer II and Principal Record Management. Also 56 non-permanent staff were recruited to cover positions of 12-Marketing officers II Officer, 6 Accountant II, 14 Quality Assurance Officer II, 1 Legal Officer II, 7 Accounts Assistant II, 8 Driver II and 8 Procurement and Logistics Management Officer II.

1.16 ENVIRONMENTAL CONTROL PROGRAMME

The CPB monitors the impact of its operations on the environment, which is mainly through the use of power, water and the generation of waste. The CPB minimizes the impact through better use of its premises and inbuilt facilities to ensure that there is proper waste management.

1.17 CORPORATE SOCIAL RESPONSIBILITY

The CPB is committed to fulfilling part of its Corporate Social Responsibility (CSR) through supporting national activities and other areas of interest to the CPB in the United Republic of Tanzania. During the year under review, the CPB spent TZS 63,557,000 on CSR activity.

1.18 CONTRIBUTION AND SUBSCRIPTIONS

During the year under review there were no subscriptions and contributions made to various organizations, also there were no donation made to any political party during the financial year 2022/23.

1.19 COMPLIANCE WITH LAWS AND REGULATIONS

In performing the activities of the CPB, various laws and regulations having the impact on the CPB's operations were observed.

1.20 STATEMENT OF COMPLIANCE

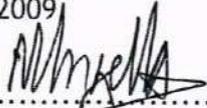
The Directors' Report has been prepared in full compliance with requirements of the Tanzania Financial Reporting Standards No. 1 Directors' Report.

1.21 AUDITORS

The Controller and Auditor-General (CAG) is the statutory auditor for the CPB pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2005), Sections 30 -33 of the Public Audit Act No. 11 of 2008 and Section 18 subsection 2 of the Cereals and Other Produce Board's Act No.19 of 2009


.....

18-03-2024


.....

Mr. Salum A. Hagan
CHAIRMAN OF THE BOARD

DATE

Mr. Patrick M. Mongella
DIRECTOR GENERAL

2.0 STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 30th June, 2023, and the statement of financial performance, the statement of changes in net assets, cash flows statement, comparison of budget and actual amount for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with Tanzania Financial Reporting Standard Number 1 (TFRS1)

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

The directors have assessed the Board's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the financial year ahead.

Approval of the financial statements

The financial statements of the Board, as indicated above, were approved by Board of Directors on



Mr. Salum A. Hagan
CHAIRMAN OF THE BOARD

18/03/2024

DATE

3.0 DECLARATION OF THE HEAD OF FINANCE AND ADMINISTRATION OF CEREALS AND OTHER PRODUCE BOARD OF TANZANIA

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

It is the duty of a Professional Accountant to assist the Board of Directors/ Management to discharge the responsibility of preparing financial statements of the entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors' responsibility statement on an earlier page.

I, **Bernard Bura**, the Director of Finance and Administration (DFA) at Cereals and Other Produce Board of Tanzania hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June, 2023 have been prepared in compliance with International Public Sector Accounting Standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view of the financial position of Cereals and Other Produce Board of Tanzania on that date and that they have been prepared based on properly maintained records.

Signed by: Bernard Bura

Signature: 

Position: Director of Finance and Administration (DFA)

NBAA Membership No: ACPA 4297

Date 18 March 2024

4.0 FINANCIAL STATEMENTS

**CEREALS AND OTHE PRODUCE BOARD OF TANZANIA
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

ASSETS	NOTES	30th June 2023 TZS	30th June 2022 TZS
Non-Current Assets			
Property, Plant & equipments	14	56,214,819,145.89	41,714,119,500.00
WIP	20	4,126,779,350.49	3,930,796,049.00
Scrapped asset		14,223,800.00	
Total non-current assets		60,355,822,296.38	45,644,915,549.00
Current Assets:			
Closing Inventories	16	4,501,294,292.78	4,417,392,058.00
Trade and other receivable	17	9,174,366,173.25	2,060,711,400.00
Advance payment	17.B	268,104,250.00	369,387,652.00
Other receivables		50,000,000.00	-
Cash and cash equivalent	15	14,146,176,917.29	12,116,367,590.38
Total current-assets		28,139,941,633.32	18,963,858,700.38
TOTAL ASSETS		88,495,763,929.70	64,608,774,249.38
EQUITY & LIABILITIES			
Equity and reserves:			
Capital fund		12,697,082,200.00	10,697,082,200.00
Accumulated surplus		61,357,945,948.96	48,073,643,245.00
Total equity and reserves		74,055,028,148.96	58,770,725,445.00
Non-Current liabilities			
Long term Loans	19	4,910,660,875.40	4,422,229,335.02
Total Non-Current liabilities		5,012,698,497.78	4,586,728,510.02
Current Liabilities:			
Accrued Interest on NSSF Loan	20	102,037,622.38	164,499,175.00
Trade and other Payable	18	5,839,774,987.77	1,251,320,294.46
Short term Loan principal			
Accrued interest Nssf			
Provisions			-
Bank Overdraft	23	3,588,262,295.18	
Total Current liabilities		9,530,074,905.33	1,415,819,469.46
TOTAL EQUITY & LIABILITIES		88,495,763,929.69	64,608,774,249.48

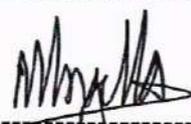
Notes form part of the financial statements which were approved by the board of directors and signed on its behalf by;



MR. SALUM A. HAGAN
CHAIRMAN OF THE BOARD

18-03-2024

DATE



PATRICK M. MONGELLA
DIRECTOR GENERAL

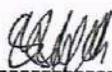
Controller and Auditor General

AR/PA/CPB/2022/23

CEREALS AND OTHE PRODUCE BOARD OF TANZANIA
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

REVENUES	Notes	2023 TZS	2022 TZS
Sales Revenue	4	56,658,351,571	41,032,828,923.97
Less Cost of Goods Sold	5	(45,211,499,576)	(30,559,064,854.00)
Less Cost of Production Cost	6	(5,058,226,135)	(5,035,981,479)
Gross Profit		6,388,625,861	5,437,782,591.02
Add Other Income			
Other Sales Revenue	7	880,720,253	248,337,074.31
Amortization Government Subvention -OC and PE	8	2,775,463,780	5,678,110,069
Total Consolidated Other Income		3,656,184,033.02	5,926,447,143.56
Total Income		10,044,809,894	11,364,229,734.59
LESS OPERATING EXPENSES			
Salaries, Wages, and employee's benefits	9	3,039,576,772	2,630,181,031.30
Repair and maintenance	10	292,563,524	247,959,855.18
Administrative Expenses	11	4,233,854,346	2,688,451,614.05
Finance costs	12	2,544,246,377	2,522,034.10
Selling, Distribution and Marketing	13	1,931,564,676	2,651,591,384.28
TOTAL EXPENSES		12,041,805,694	8,220,705,919
Net Profit / (Loss)		(1,996,995,800)	3,143,523,815.67

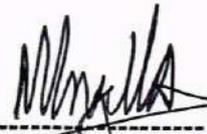
Notes form part of the financial statements which were approved by the board of directors and signed on its behalf by;



 Mr. SALUM A HAGAN
 CHAIRMAN OF THE BOARD

18-03-2024

 DATE



 PATRICK M. MONGELLA
 DIRECTOR GENERAL

CEREALS AND OTHER PRODUCE BOARD OF TANZANIA (CPB)

CEREALS AND OTHE PRODUCE BOARD OF TANZANIA
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Capital Fund		Revaluation		Total
	TZS	Accumulated Surplus TZS			
Balance as at 01.07.2022 Note 21	10,697,082,200	48,073,643,245.00	-	-	58,770,725,445
Net Surplus / (Deficit)	-	(1,996,995,800.31)	-	-	(1,996,995,800)
Prior year adjustment		(5,550,319.00)			(5,550,319)
Revaluation Gain/Loss	-	(5,718,001,984.73)	-	-	(5,718,001,985)
Development Expenditure (capitalized)	2,000,000,000				2,000,000,000
Revaluation	-	-	21,004,850,807.75		21,004,850,808
Transfer to net surplus / (Deficit)		21,004,850,808.00	(21,004,850,807.75)		
Balance as at 30.06.2023	12,697,082,200	61,357,945,948.96	-	-	74,055,028,149
Balance as at 01.07.2021 Note 21	5,697,082,200	49,939,836,426.00	-	-	55,636,918,626
**Prior Year Adjustment 1 (Understated inventory figure)	-	(5,009,716,994.00)	-	-	(5,009,716,994)
Net Surplus / (Deficit)	-	3,143,523,813.00	-	-	3,143,523,813
Development Expenditure (capitalized)	5,000,000,000				5,000,000,000
Balance as at 30.06.2022	10,697,082,200	48,073,643,245.00	-	-	58,770,725,445

Notes form part of the financial statements which were approved by the board of directors and signed on its behalf by;

Salum A Hagan
18-03-2024

MR. SALUM A HAGAN
CHAIRMAN OF THE BOARD

Patrick M. Mongella

PATRICK M. MONGELLA
DIRECTOR GENERAL

DATE

CEREALS AND OTHE PRODUCE BOARD OF TANZANIA
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2023

		2023 TZS	2022 TZS
Cash flow from operating activities			
Net Income		(1,996,995,800.31)	3,143,523,813
Adjustments for :-			
Prior year adjustment	26	(5,550,319.00)	
Depreciation		1,731,758,833	1,896,997,815
Interest payment		643,783,633	-
		<u>372,996,346</u>	<u>5,040,521,628</u>
Increase or Decrease in Current Assets:-			
Accounts Receivables	17	(7,113,654,873)	(1,965,928,500)
Advance payment	17.B	101,283,402	(369,387,652)
Other receivables		(50,000,000)	-
Inventories	16	(83,902,235)	(1,057,468,905)
Adjustment on inventory figure		-	(4,875,258,248)
Increase or Decrease in Current Liabilities:-			
Other payables		1,359,476,712	-
Accounts Payables	18	4,588,454,693	38,052,340
		<u>(1,198,342,301)</u>	<u>(8,229,990,965)</u>
Net cash inflow from operating activities (A)		(825,345,954)	(3,189,469,337)
Cash flows from investing activities			
Acquisition of property, plant & Equipment	3	(576,222,003)	(1,310,430,264)
WIP Plant and Machinery Tanga	24	(195,983,301)	(1,745,920,009)
Net cash outflow from investing activities (B)		<u>(772,205,304)</u>	<u>(3,056,350,273)</u>
Cash flows from financing activities			
Nssf Loan (Restructuring effect to Principal Amount)			
Nssf Loan (Restructuring effect to Interest Amount)			
Nssf Loan Repayment		(1,293,243,474)	(534,234,090)
Government Subvention - Dev		2,000,000,000	5,000,000,000
CRDB Loan interest repayment		-	-
CRDB Loan		18,173,419,167.44	11,008,228,746.68
CRDB Loan Repayments		<u>(15,252,815,107.42)</u>	<u>(11,008,228,746.68)</u>
Net cash flow from financing (C)		<u>3,627,360,585.77</u>	<u>4,465,765,910.00</u>
Net cash and cash equivalents (A + B + C)		2,029,809,327.32	(1,780,053,700.03)
Cash and cash equivalent at the Beginning of year			
		12,116,367,590	13,896,421,290
Cash and cash equivalent at the end of year		<u>14,146,176,917</u>	<u>12,116,367,590</u>

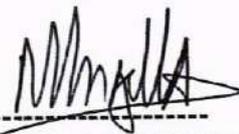
Notes form part of the financial statements which were approved by the board of directors and signed on its behalf by;



MR. SALUM A. HAGAN
CHAIRMAN OF THE BOARD

DATE

18-03-2024



PATRICK M MONGELLA
DIRECTOR GENERAL

NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

These are financial statements of the Cereals and other Produce Board of Tanzania for the year ended June, 2023. The Board was established under the Cereals and Other Produce Board Act No. 19 of 2009 which came into force on the 1st July, 2010.

The head quarter of the Cereals and Other Produce Board is located at Mbugani Area, 24 VETA Road Dodoma.

1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of Compliance

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations as issued by International Accounting Standards Board (IASB).

(b) Basis of Preparation

The financial statements have been prepared on the historical cost basis. The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affects the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Functional and presentation currency

These financial statements are presented in Tanzania Shillings (TZS) which is the Board's both functional and presentation currency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented.

2.1. REVENUE

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Cereals and Other Produce and the revenue can be reliably measured. The revenue from sale of products like maize flour and Maize bran are recognized when the customer has been invoiced, and item already transferred to the buyer. The revenue from weighbridge is recognized when cash received after the vehicle had been measured. Revenue from warehouse (rents) is recognized when a tenant has been invoiced and the agreement of hiring has been signed by both parties.

Government subvention

Government subvention related to income are presented as part of statement of comprehensive income under a general heading such of 'Other income', while Government grants related to assets, including non-monetary grants at fair value, are Presented in the statement of financial position by setting up the grant as deferred income.

Rental Income

Rental income is recognized on straight line basis over the period of the lease.

2.2. EXPENSES

Expenses are accounted for on an accrual basis.

2.3. FOREIGN CURRENCY TRANSLATION

The financial statements are presented in Tanzania Shillings (TZS), which is the Board functional and presentation currency. Translations in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at an average functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit and loss. Non-monetary items that measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial translation. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the value is determined.

2.4. PROPERTY, PLANT AND EQUIPMENT

All items of plant and equipment are initially recoded at cost. Cost comprises of expenditure directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Board and the cost of item can be measured reliably.

The CPB's Property, Plant and Equipment are valued using the Valuation Model. All other repairs and maintenance are charged to the Financial Performance during the financial period in which they are incurred.

Depreciation is recognized in Financial Performance on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful year of Property Plant and Equipment based on classification is as under:

Classification of PPE	Estimated useful years
• Buildings	50
• Furniture, Fixtures and Fittings	5
• Computer and printer	5
• Office Equipment	5
• Motor Vehicles	5
• Plant and Machinery	5

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Gain and losses on disposal are determined by comparing the disposal proceeds with the carrying amount and are credited / charged to the statement of performance for the year.

The items of plant and equipment includes three five laptop computers valued at TZS.7,460,000 which were missing during the asset verification exercise as at 30th June 2023 of which the Management of CPB has initiated the investigation for the same.

Subsequent Costs

The of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item it is probable that the future economic benefits embodied within the part will flow to the Board and its costs can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of day-to-day servicing of property, plant and equipment are recognized in Statement of Financial Performance as incurred.

The Subsequent measurement of the Board's assets is done using the Revaluation Mode.

Impairment of non-financial assets

The Board assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Board makes an estimate of the asset's recoverable amount. An asset's recoverable amount is higher of an assets or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Employment benefits

Employee benefits include salaries, pensions and other related - employment costs. Employee benefits are recognized on accrual basis.

The Board operates a defined contribution plan. Employees are members of PSSSF and the Board contributes 15% of basic salary for each employee and the employee contribute 5% of the basic salary to PSSSF. Additionally, the Board operate insured (Health benefit) plan where contributions are paid to the National Health Insurance Fund (NHIF), both the employer and employee contribute 3% of gross salary.

2.5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Board's financial statements requires management to make judgments, estimates, and assumptions that affects 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 assets or liability affected in the future.

Judgments

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

Estimates and assumptions

The key assumptions concerning the future and other key source of estimation uncertainty at the financial year end date, that have a significant risk of causing a material adjustment

to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assumptions of the time value of money and the risks specific to the asset, impairment losses of continuing operations are recognized in the statement of financial performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount.

Cash and Cash Equivalents

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

Provisions

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

Inventories

Inventories are stated at the lower of cost and current replacement cost. Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

Raw materials

Finished goods and work in progress - cost of direct materials, labour and a proportion of manufacturing overheads based on normal capacity but excluding borrowing costs. Current replacement cost is the cost the entity would incur to acquire the asset on the reporting date.

NOTES TO THE ACCOUNTS (CONTINUED)

3. Property, plant and equipment as at 30th June, 2023

Expected Life Span	50	5	5	5	5	5	5	Total
Cost	Land	Buildings	Motor vehicles	Furniture & fittings	Office equipment	Computers & Printers	Plant and Machinery	WIP
Assets cost as at 01.07.2022 before revaluation	29,976,104,411	8,974,274,645	626,728,137	143,314,600	1,551,050,078	480,885,089	8,304,753,179	-
Less Accumulated Depreciation Before Revaluation	-	(1,830,872,833)	(496,665,154)	(85,211,929)	(1,227,702,281)	(232,412,453)	(4,470,125,988)	-
Net Book Value	29,976,104,411	7,143,401,812	130,062,983	58,102,671	323,347,797	248,472,636	3,834,627,191	-
Gain/Loss on Revaluation	(15,749,634,411)	7,545,517,955	1,435,937,017	31,363,379	(258,359,297)	(100,105,636)	1,377,279,007	-
Revalued Assets cost as at 01.07.2022	14,226,470,000	14,688,919,767	1,566,000,000	89,466,050	64,988,500	148,367,000	5,211,906,198	-
Additions-on Revaluation as at 01.06.2022	6,220,970,000	13,062,942,008	9,600,000	22,292,200	55,395,000	32,215,000	1,601,436,600	-
Total Revalued Assets cost as at 01.07.2022	20,447,440,000	27,751,861,775	1,575,600,000	111,758,250	120,383,500	180,582,000	6,813,342,798	-
Additions-Non-Monetary	-	43,231,205	369,387,652	57,896,127	117,342,284	355,324,388	2,428,000	-
Total Asset in use 30.06.2023	20,447,440,000	27,795,092,980	1,944,987,652	169,654,377	237,725,784	535,906,388	6,815,770,798	57,946,577,978
Idle Assets 30.06.2023	-	-	-	237,000	760,100	96,000	13,130,700	-
WIP	-	-	-	-	-	-	-	4,126,779,350
Accumulated depreciation As at 01.07.2022 amount before Revaluation	-	1,830,872,833	496,665,154	85,211,929	1,227,702,281	232,412,453	4,470,125,988	-

Revaluation adjustment	(1,830,872,833)	(496,665,154)	(85,211,929)	(1,227,702,281)	(232,412,453)	(4,470,125,988)	(8,342,990,63)
As at 01.07.2022 amount after Revaluation	-	-	-	-	-	-	-
Depreciation charges during the year	555,180,610	327,432,922	28,546,436	38,454,598	62,393,220	719,751,046	1,731,758,832
Total as at 30.06.2023	555,180,610	327,432,922	28,546,436	38,454,598	62,393,220	719,751,046	1,731,758,832

Net book value	50	5	5	5	5	5	5	Total
As at 30.06.2023	Land	Buildings	Motor vehicles	Furniture & fittings	Office equipment	Computers & Printers	Plant and Machinery	WIP
As at 30.06.2022	29,976,104,411	27,239,912,369	1,617,554,730	141,107,941	199,271,186	475,745,727	6,096,019,752	-
As at 30.06.2022	29,976,104,411	7,143,401,812	180,062,983	58,102,671	323,347,797	248,472,636	3,834,627,191	-
NOTE 14 (A): PROPERTY, PLANT & EQUIPMENTS								
Expected Life Span	50	5	5	5	5	5	5	
Cost/revaluation	Land	Buildings	Motor vehicles	Furniture & fittings	Office equipment	Computers & Printers	Plant and Machinery	WIP
01.07.2021	29,976,104,411	8,207,203,668	626,728,137	140,705,300	1,192,476,870	312,146,310	8,291,315,179	48,746,679,875
Additions	-	767,070,977	-	2,609,300	358,573,208	168,738,779	13,438,000	1,310,430,263
Disposal	-	-	-	-	-	-	-	-
Total 30.06.2022	29,976,104,411	8,974,274,645	626,728,137	143,314,600	1,551,050,078	480,885,089	8,304,753,179	50,057,110,138

Accumulated depreciation	50	5	5	5	5	5	5	Total
As at 01.07.2021	Land	Buildings	Motor vehicles	Furniture & fittings	Office equipment	Computers & Printers	Plant and Machinery	WIP
Adjustment	-	1,672,257,790	219,354,848	62,662,156	1,137,980,171	172,972,304	2,940,998,377	6,206,225,646
Charge during the year	-	158,615,043	277,310,306	22,549,773	89,722,110	59,440,149	1,289,360,433	1,896,997,814
Total 30.06.2022	-	1,830,872,833	496,665,154	85,211,929	1,227,702,281	232,412,453	4,470,125,988	8,342,990,638

Net book value	50	5	5	5	5	5	5	Total
As at 30.06.2022	Land	Buildings	Motor vehicles	Furniture & fittings	Office equipment	Computers & Printers	Plant and Machinery	WIP
As at 30.06.2021	29,976,104,411	7,143,401,812	130,062,983	58,102,671	323,347,797	248,472,636	3,834,627,191	41,714,119,500
As at 30.06.2021	29,976,104,411	6,059,785,638	1,015,232,002	95,081,767	206,892,399	168,988,893	5,201,712,212	42,723,797,322

REVALUATION GAIN/LOSS

REVALUATION RESULT	20,447,440,000	27,751,861,774	1,575,600,000	111,758,250	120,383,500	180,582,000	3,610,469,598	53,798,095,122
LESS ARUSHA AND SHINYANGANEW REVALUATION not included before in Asset register	(6,220,970.00)	(13,062,942,007)	(9,600,000)	(22,292,200)	(55,395,000)	(32,215,000)	1,601,436,600	(17,801,977,607)
OLD VALUE - Revalued	14,226,470,000	14,688,919,767	1,566,000,000	89,466,050	64,988,500	148,367,000	5,211,906,198	35,996,117,515
VALUE AS PER BOOKS	29,976,104,411	7,143,401,811	130,062,983	58,102,670	323,347,796	248,472,635	3,834,627,191	41,714,119,499
GAIN/ LOSS ON REVALUATION	(15,749,634,411)	7,545,517,955	1,435,937,016	31,363,379	(258,359,29)	(100,105,635)	1,377,279,007	(5,718,001,984)

4	SALES REVENUE	2023 (TZS)	2022 (TZS)
	Sales of Maize Flour	20,712,221,412	9,579,490,782
	Sales of Cashew nut	1,145,342,217	85,270,510
	Sales of Beans	484,103,830	335,398,850
	Sales of Maize Grain	9,355,686,639	17,477,586,020
	Sales of Maize Bran	1,212,588,345	690,404,850
	Sales Revenue Deffective Wheat	179,296,000	-
	Sales of Sunflower Oil	804,569,765	596,314,592
	Sales Revenue Fertilizer	12,172,408,989	
	Sales of White Sorghum	3,619,232,691	415,051,000
	Sales of Husk	70,451,900	11,462,950
	Sales of Rice	5,628,708,783	7,091,683,474
	Sales of Sunflower Cake	43,421,000	36,000,100
	Sales of Wheat Flour	518,345,600	374,063,870
	Sales of Sunflower Seeds	-	3,800,000,000
	Sales of Soya Beans	657,287,600	356,152,926
	sales of wheat Bran	-	74,321,000
	Sale of Polland Bran	-	13,890,000
	Sales of Paddy Bran	54,686,800	95,738,000
		56,658,351,571	41,032,828,924
5	COST OF SALES	2023 TZS	2022 TZS
	Opening stock	4,417,392,058	3,359,923,153
	Add: Purchases		
	Purchases of Maize grain	23,112,219,283	17,127,639,638
	Purchases of Rice	1,339,825,875	504,575,950.00
	Purchases of Beans	171,022,068	443,317,990.00
	Purchase of Sunflower Seeds	1,168,409,100	3,449,633,921.14
	Purchases of White Sorghum	973,560,640	1,740,788,651.90
	Purchase of Cashewnuts	-	1,049,240,631.68
	Purchases of Rice Paddy	3,919,393,582	3,978,975,000
	Packaging - for Crop Purchases	-	154,902,750
	Purchases of Wheat	759,666,163	835,708,670
	Purchases of Rice Bran	-	6,000,000
	Purchases of Soya Beans	233,022,000	576,149,749
	Purchases of Dagaa Mchele (anchovies)	-	488,347,600
	Purchases of Crude Oil	629,018,500	216,100,100
	Fertilizer Purchases	12,254,140,100	-
	POS Sales Items Purchases	519,423,234	241,035,310
	CRDB Loan Interest	-	614,257,779
	Collateral Management	180,038,710	26,432,000
	Total Purchases	45,259,739,254	31,453,105,741
	Cost of Goods Available for Sale	49,677,131,312	34,813,028,894
	Less Closing Stock	(4,465,631,737)	(9,263,681,034.52)
	Adjustment 1 (Prior year adjustment- Understated inventroy figure)	-	4,846,288,977.00
	Cost of Sales	45,211,499,576	30,559,064,854.00
6	PRODUCTION RELATED COSTS	2023 TZS	2022 TZS
	Loading and Offloading Expenses	-	19,641,450
	Paddy Processing	-	291,123,200
	Plant Annual Fee (From note 11)	38,210,057	10,161,000
	Additive	-	10,913,105
	Repair and Maintenance Plant & Machinery	247,069,295	116,989,843
	Depreciation	1,731,758,833	1,896,997,815
	Casual labour	-	101,583,067
	Packaging Materials	534,888,234	652,126,168
	Security Expenses (from note 11)	112,131,178	101,937,960
	Cashewnuts Processing Fee	-	427,265,800

	Quality Test for CPB Products (from note 11)	36,000	18,491,600
	Rent Expenses POS, Godowns (From note 11)	311,989,509	328,701,982
	Electricity bill 75%	457,496,682	261,220,408
	Water Bill 75%	16,105,017	14,490,699
	Wages and salaries 25%	622,371,050	609,719,486
	Transportation of Maize / Production Cost	986,170,279	174,617,896
		5,058,226,135	5,035,981,478.94
7	OTHER REVENUE	2023	2022
		TZS	TZS
	Warehouse Income		
	Rent Income	12,424,100	217,143,024
	Milling service	247,700,218	-
	Weigh-Bridge Revenue	25,949,000	26,880,000
	Other Products Sales	594,646,935	4,314,050
		880,720,253	248,337,074
8	Government Subvention - Transferred to Capital		
		2023	2022
		TZS	TZS
	Government Subvention-PE - Amortized	1,579,431,162	1,498,088,162
	Government Subvention-OC - Amortized	1,196,032,618	4,180,021,907
		2,775,463,780	5,678,110,069
9	SALARIES, WAGES AND EMPLOYEE BENEFIT		
		2023	2022
		TZS	TZS
	Salaries and wages 75%	1,884,042,749	1,829,158,459
	Annual Leave Allowance	17,466,280	27,472,788
	Conference Facilities	173,893,234	7,073,034
	Statutory responsibility allowance	125,880,000	138,798,001
	Meeting and Sitting allowance	90,227,809	124,566,550
	Furniture Allowance	5,000,000	162,000,000
	Extra Duty Allowance	363,116,100.00	237,347,200
	Recruitment	42,975,000	2,596,000
	Subsistence Allowance	23,594,000	-
	Honoraria	313,381,600	101,169,000
		3,039,576,772	2,630,181,031.30
10	REPAIR AND MAINTENANCE EXPENSES	2023	2022
		TZS	TZS
	Car repairs & maintenance	163,101,178	138,771,552
	Repair and Maintenance - Building and Godown	93,313,174	60,928,540
	Repair and Maintenance Office Equipment	-	1,335,000.00
	Computer and ICT Equipments Repair	420,000	4,099,960
	Furniture	-	805,500
	Minor Civil Works	35,729,171	42,019,303
		292,563,524	247,959,855.18
11	ADMINISTRATIVE EXPENSES	2023	2022
		TZS	TZS
	Audit fees and Expenses	90,219,000	128,232,000
	Cleaning expenses	32,752,205	62,970,900
	Condolence & Burial expenses	5,300,000	10,950,000
	Electricity Bill 25%	149,521,697	87,073,469
	Food and Refreshment	261,155,299	194,025,637
	Fumigation	66,957,855	24,572,343

	Penalties	-	17,452,192
	Consultancy	122,082,518	105,374,979
	Internet	43,671,477	52,494,858
	Building Permit	-	978,366
	Special Allowance	288,490,700	-
	Arbitrator - Legal Expenses	9,750,641	15,311,500
	Moving Expenses	142,771,700	79,958,720
	Ceremonials Expenses (Inagulations)	65,000	15,200,000
	Staff Training	242,569,150	94,773,513
	Translator	-	4,800,000
	Sundry Expenses	81,227,321	29,172,401
	Travelling on Duty Foreign / Perdiems	110,497,495	299,189,550
	Board of Directors Meetings	351,971,350	-
	Document Preparation	-	41,500,000
	Travelling on Duty Domestic / perdiems	1,650,631,177	772,291,217
	Land Rent	7,925,800	-
	Postage Charges	88,500	-
	Air Ticket	152,171,995	168,775,866
	Water Bills 25%	5,368,339	4,830,233
	Uniforms	20,864,000	9,278,000
	Asset Valuation	9,201,000	24,797,000
	Survey and Measurement	-	940,000
	Social Responsibilities	63,557,000	105,518,100
	Subscription Fee	12,395,250	-
	Tender Board Expenses	30,400,000	14,650,000
	Medical Expenses	1,031,160	-
	Land Rent	-	-
	Office Consumables	194,459,029	148,665,733
	Budget Preparation and Presentation	-	44,150,000
	Insurance	84,158,689	78,177,620
	Inspectio Fee	-	7,100,875
	Outfit Allowance	-	1,000,000
	Ground Travelling	2,599,000	26,123,165
	Kilwa Cassava Project	-	10,413,000
	Communication Expenses	-	7,710,378
		4,233,854,346	2,688,451,614
12	FINANCE COST	2023	2022
		TZS	TZS
	Bank Charges		2,522,034
	Other finance costs	2,544,246,377	-
		2,544,246,377	2,522,034
13	SELLING MARKET AND DISTRIBUTION COST	2023	2022
		TZS	TZS
	Advertisement expenses	191,689,147	167,046,051
	Distribution, sales and marketing	482,372,135	156,668,898
	National and International Trade Exhibitions	61,195,000	53,662,540
	Hire of Transportation	628,344,875	1,118,194,049
	Certificate Fee	-	16,873,000
	CPB Foreign POS Expenses	358,522,488	878,088,536
	WFP Order Cost	-	112,365,000
	Service Leavy	-	3,864,000
	Diesel	209,441,031	144,829,310
		1,931,564,676	2,651,591,384
15	CASH AND CASH EQUIVALENT	2023	2022
		TZS	TZS
	Cash at hand	9,922,550.00	-
	Bank Balance - Cereals and Other Produce NMB 20101000087	394,207,715	(184,867,621)

	Bank balance - BOT Dar es salaam collection BOT 9925260721	105,386,134.43	6,495,659,976.44
	Bank balance - BOT CPB USD Collection AccountT 9932446411	6,038,148,875.22	-
	CPB - REDEMPTION CRDB USD CRDB 0250601209300	409,180.28	-
	Bank Balance - Katavi Expenditure Account NMB 61910036316	3,480,125.46	106,298,861.73
	Bank Balance -Dodoma Expenditure Account NMB 50510023697	212,880,704	237,655,494.80
	Bank balance-CPB Dar es salaam collection NMB 50510052344	6,703,005,039.64	195,974,123.15
	Bank balance-GePG HQ Collection CRDB 0150478092400	115,594,120.00	29,509,400.00
	Bank balance -Arusha Expenditure Account NMB 42710025426	304,083,527.66	58,348,647.64
	Bank balance- Mwanza - Expenditure Account NMB 31110026605	7,099,615.35	42,595,905.39
	Bank balance -Milling project account Azania Bank 002000025256	2,434,582.12	2,698,162.12
	Bank balance -CPB Dar Expenditure account NMB 20310046138	125,339,239.04	520,903,707.80
	Bank balance - CPB Special Account NMB 50510045160	280,867,874.09	375,235,867.52
	Bank balance - GePG account NMB Bank PLC NMB 20110025111		1,348,498,250.00
	Bank balance-Iringa Expenditure account NMB 60510017434	156,682,365.33	146,703,452.10
	Bank Balance - Redemption CRD TZS CRDB 0150601209300		2,741,153,362.77
		14,146,176,917	12,116,367,590
16	CLOSING STOCK	2023	2022
		TZS	TZS
	Rice	226,975,650.00	505,902,567.68
	Maize	308,987,914.00	1,526,259,156.69
	Maize flour	713,878,029.87	546,209,492.55
	Sunflower Seed	883,756,500.00	871,220,000.00
	Beans	20,368,669.00	356,999,240.00
	Sunflower Oil	679,865,916.70	216,397,009.91
	White Sourghum	390,000.00	1,585,802,790.00
	Sunflower Cake	-	37,899,000.00
	Maize Bran	17,986,077.50	69,610,054.52
	Rice Paddy	906,570,269.30	535,594,665.00
	Cashewnuts	69,188.10	1,547,438,430.00
	Wheat Flour	86,419,312.63	7,703,750.00
	Crude Oil	35,595,322.86	236,440,533.67
	Cashewnuts	44,880,000.00	31,535,850.00
	Packaging	28,791,000.00	16,807,500.00
	Wheat Grain	262,621,126.71	60,576,254.50
	Ground nuts	191,926,362.67	181,179,200.00
	Dagaa Mchele (Anchovies)	-	2,376,000.00
	Paddy Bran	-	420,822,500.00
	Dagaa Mchele (Anchovies)	-	488,347,600.00
	Brian Rice	17,000.00	990,000.00
	Broken Rice	-	4,560,000.00
	Broken / Cloured Rice	740.00	6,900,000.00
	Maize Grits	3,425,067.60	6,109,440.00
	Fertilizer	50,010,526.00	-
	Obsolences Stocks	1,265,500.00	-
	Wheat Bran	1,831,563.93	-
	CLOSING STOCK RELATED TO SALES	4,465,631,736.87	9,263,681,034.52

	Stationaries/Office Consumables	14,487,417.00	-
	Diesel	6,805,138.91	-
	Fumigants	14,370,000.00	-
	***Current Year Adjustment- (Overstated inventory)	-	(4,846,288,977.00)
	CLOSING STOCK NOT RELATED WITH SALES	35,662,555.91	(4,846,288,977.00)
	TOTAL CLOSING STOCK	4,501,294,293	4,417,392,058
		2023	2022
17	DEBTORS	TZS	TZS
	Debtors Dodoma	7,680,626,035.00	1,533,578,220.00
	Debtors Arusha	676,833,454.20	334,542,880.00
	Debtors Dar Es Salaam	-	63,023,000.00
	Debtors-HQ	-	-
	Debtors Mwanza	117,193,533.00	49,184,300.00
	Debtors Iringa	699,713,151.05	80,382,900.00
		9,174,366,173	2,060,711,300
		2023	2022
17.B	ADVANCE PAYMENT	TZS	TZS
	Advance payment-rice paddy Mwanza	261,104,250.00	-
	Advance payment-Motor vehicle purchase	-	369,387,652.00
	Advance payment-DSM security expenses	4,000,000.00	-
	Advance payment-ARUSHA GPSA	3,000,000.00	-
		268,104,250.00	369,387,652.00
		2023	2022
18	CREDITORS	TZS	TZS
	CPB HQ	249,510,855.34	427,657,049.60
	Iringa	4,698,038,484.00	13,912,035.76
	Dar Esalaam	11,017,000.00	4,000,000.00
	Mwanza	-	399,574,373.12
	Arusha	837,979,381.75	128,770,084.00
	Dodoma	43,229,266.68	277,406,751.98
		5,839,774,988	1,251,320,294
		2023	2022
19	LONG TERM LIABILITIES	TZS	TZS
	NSSF Loan principal long term	3,551,184,162.97	4,422,229,335.02
	accrude interest long term	1,359,476,712.43	
		4,910,660,875.40	4,422,229,335.02
		2023	2022
20	ACCRUED INTEREST ON NSSF LOAN LONG TERM	TZS	TZS
	Balance as at Start		
	nssf Loan principal short term	67,003,474.77	
	Acrued Interest	35,034,147.61	164,499,175.00
		102,037,622.38	164,499,175.00
		2023	2022
20	ACCRUED INTEREST ON NSSF LOAN	TZS	TZS
	Balance as at Start		
	Added to Pricipal on Restructuring		-
	Acrued Interest	1,359,476,712.43	164,499,175.00
		1,359,476,712.43	164,499,175.00
		2023	2022
24	PLANT AND MACHINERY KIZOTA (WIP)	TZS	TZS
	Opening WIP	3,930,796,049.49	2,184,876,040.00
	Less Part of WIP Capitalized to PPE- Revaluation	-	-

	WIP Tanga project	195,983,301	1,745,920,009
	Closing-WIP	4,126,779,350.49	3,930,796,049.49
22	CAPITAL FUND	2023	2022
		TZS	TZS
	Opening Balance	10,697,082,200.00	5,697,082,200.00
	Additional Capita Government Subvention - Devo	-	5,000,000,000.00
		10,697,082,200	10,697,082,200.00
23	BANK OVERDRAFT	2023	2022
		TZS	TZS
	CRDB OVER DRAFT	3,588,262,295.18	-
		3,588,262,295.18	-
		2023	2022
		TZS	TZS
25	LOAN REPAYMENT NSSF (Principal & Interest)	1,293,243,474.25	-
		1,293,243,474.25	-
26	PRIOR YEAR ADJUSTMENT	2023	2022
		TZS	TZS
	Security services expenses for different period (2021/22)	3,907,119.00	-
	Salaries,wages and employee benefit for different period	5,643,200.00	-
	Prior year adjustment -Receivable	(4,000,000.00)	-
		5,550,319.00	-

27. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties in the normal cause of business:

a) Board of Directors compensation

	2022/23	2021/22
	TZS	TZS
Board Chairman	12,000,000	-
Board Members	100,000,000	-
Total	112,000,000	-

Board of Directors members were appointed in the first quarter of the financial year 2022/23.

b) Key Management compensation

	2022/23	2021/22
	TZS	TZS
Salaries for four Directors	331,127,302	330,558,502
Salaries for nine Managers	472,595,585	378,032,585
Salaries for Head of Sections	81,054,000	79,916,400
Statutory Allowances for Directors and Managers	164,590,000	156,960,000
Special Allowances for four Heads	14,400,000	-
Total	1,063,766,887	945,467,487

28. COMMITMENT AND CONTINGENCIES

As at financial year end, the Board had commitment of USD 154,679.41 and 78,528,000 in respect of UGUR MAKINE and TIRDO for completion of installation of rice paddy plant at Mkuyuni, Mwanza.

29. EMPLOYEES:

The number of employees at the end of the financial year 2020/23 was 64 permanent employees and 133 contractual Staff.

30. COMPERATIVE FIGURES

Previous year's balances have been re-grouped whenever appropriate for comparison purpose.

31. EVENTS AFTER THE REPORTING DATE

There were no events after the reporting date, 30th June 2023, which requires adjustment or disclosure in the financial statements.