



**THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE**



THE CEREALS AND OTHER PRODUCE BOARD

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

Controller and Auditor General,
National Audit Office,
Ukaguzi House,
Mahakama Road,
P.O. Box 950,
41101 Tambukareli,
Dodoma, Tanzania.
Tel: 255 (026) 2161200-9,
E-mail: ocag@nao.go.tz
Website: www.nao.go.tz

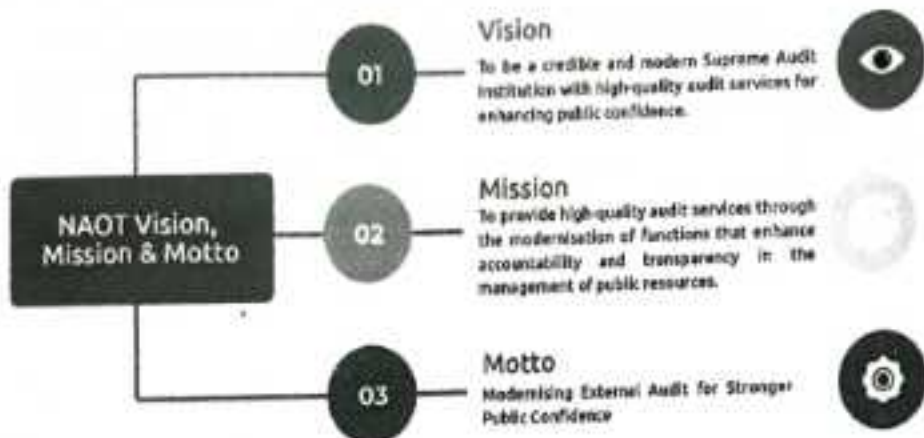
March 2025

AR/PA/CPB/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

ADAS	Advanced African Solution
AIDS	Acquired Immunodeficiency Syndrome
CAG	The Controller and Auditor-General
Cap.	Caption
CPA	Certified Public Accountant
CPB	The Cereals and Other Produce Board of Tanzania
CRDB	Cooperative Rural Development Bank
CSR	Corporate Social Responsibility
DUWASA	Dodoma Urban Water Supply
EAD	Exposure at Default
ECL	Expected Credit Loss
HIV	Human Immunodeficiency Virus
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
ISSAIs	International Standards of Supreme Audit Institutions
LGD	Loss Given Default
MoA	Ministry of Agriculture
NBAA	National Board of Accountants and Auditors of Tanzania
NGO's	Non - Governmental Organisation
NHIF	National Health Insurance Fund
NMB	National Microfinance Bank
NPS	National Prosecution Services
NSSF	National Social Security Fund
PBZ	Peoples Bank of Zanzibar
PD	Probability of Default
PLC	Public Limited Company
PPE	Property Plant and Equipment
PSSSF	Public Service Social Security
TANESCO	Tanzania Electric Supply Company
TCB	Tanzania Commercial Bank
TFRS1	Tanzania Financial Reporting Standard Number 1
TTCL	Tanzania Telecommunications Company Limited
TZS	Tanzanian Shilling
USD	United State Dollar
WIP	Work in Progress

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Hon. Board Chairman,
Cereal and Other Produce Board (CPB),
Central Business Park (Mbugani Area)
VETA Road, Plot No. 24,
P. O. Box 337,
Dodoma.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Cereals and Other Produce Board, which comprise the statement of financial position as at 30 June 2024, the statement of financial performance, statement of changes in equity, and the statement of cash flows 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 Cereals and Other Produce Board as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) 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 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

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

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

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 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 the procurement of works, goods, and services in the Cereals and Other Produce Board for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that procurement of goods, works and services of Cereals and Other Produce Board 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 Cereals and Other Produce Board 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 Cereals and Other Produce Board 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



2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2024

2.1 INTRODUCTION

The Board of Directors of Cereals and Other Produce Board (CPB) presents annual report together with financial statements for the financial year ended 30 June 2024, 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) OWNERSHIP

The Cereals and Other Produce Board (CPB) is wholly owned by the Government of the United Republic of Tanzania.

(iii) CPB'S VISION

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

(iv) 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.

(v) 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

2.2 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 proper 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 2023/24, 264 staff attended professional training, short courses, workshops and seminars.

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.

2.3 CORPORATE GOVERNANCE

CPB Board of Directors consists of twelve members. Apart from Director General who is the Secretary to 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 24 August 2022 comprised of the following Members;

Table 1: Board of Directors in place. The Members of the Board of Directors currently serving the Organization since 24 August 2022

S/N	Name	Position	Gender	Period Served	Age	Discipline/Qualifications	Nationality
1.	Salum Awadh Hagan	Chairman	Male	23 Months	43	CIMA, MBA in Finance	Tanzanian
2.	Fadhil Fabian Ngijilo	Member	Male	28 Months	45	Masters of Arts in History	Tanzanian
3.	Peter Serukamba	Member	Male	28 Months	52	MSc in Business Administration	Tanzanian
4.	Emanuel Makwabe	Member	Male	28 Months	51	CPA (T), MSc. in Audit Management & Consultancy	Tanzanian

S/N	Name	Position	Gender	Period Served	Age	Discipline/Qualifications	Nationality
5.	William Kapersjam a Ndile	Member	Male	28 Months	50	MSc. In Economics and Finance	Tanzanian
6.	Octavian Pendo Mulu	Member	Male	28 Months	49	MBA in Marketing Management and Strategic Management	Tanzanian
7.	David Shambwe	Member	Male	28 Months	51	BCom in Marketing	Tanzanian
8.	Hicomed Wulda Bohuy	Member	Male	28 Months	52	MSc in Business Administration, BBA	Tanzanian
9.	Beno Malisa	Member	Male	28 Months	46	MSc of Tax in Revenue and Administration, LLB	Tanzanian
10.	Halima Omari Dendege	Member	Female	28 Months	54	Masters of Business Administration	Tanzanian
11.	Revelian Ngatza	Member	Male	28 Months	53	MBA in Agribusiness	Tanzanian
12.	Patrick Magologosi Mungella	Secretary/DG	Male	9 Months	53	Masters of Business Administration	Tanzanian

Source: CPB Board of Directors Meeting Reports

The Board of Directors is required to meet four times (once per quarter) in a year. During the year ended 30 June 2024, the Board of Directors held four ordinary meetings on which they received, deliberated and approved quarterly and annual performance of the Board and had one extra-ordinary meeting for deliberation and approval of mid budget for 2023/24 annual budget for the financial year 2024/25. The Board of Directors is assisted by three Committees in the discharge of its functions. These are Board Audit and Finance Committee, Business Development Committee and Legal and Human Resource Committee.

2.3.1 THE AUDIT AND FINANCE COMMITTEE (AFC)

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. All 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 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.

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The Members of the Audit Committee as at 30 June 2024 were as follows;

Table 2: The Members of the Finance and Audit Committee as at 30 June 2024

S/N	Name	Position	Age	Discipline/Qualifications	Nationality
1.	Emmanuel Makwabe	Chairman	51	CPA (T), MSc. in Audit Management & Consultancy	Tanzanian
2.	Wilman Kapenjama Ndiye	Member	50	MSc. in Economics and Finance	Tanzanian
3.	Revelian Ngatza	Member	53	MBA in Agribusiness	Tanzanian
4.	Patrick Magogozzi Mongella	Secretary/Director General	53	Masters of Business Administration	Tanzanian

Source: CPB Board of Directors Meeting Reports

During the year ended 30 June 2024, the Audit and Finance Committee (AFC) held four ordinary meeting to receive and deliberate of quarterly finance, internal audit, and procurement performance reports and had two extra-ordinary meetings to receive and deliberate on mid-year reviewed budget for 2023/24, annual budget for the financial year 2024/25, Draft financial statements of the Board, and CAG audit findings for the year 2022/23.

2.3.2 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.

Table 3: The Members of the Committee as at 30 June 2024 were as follows;

S/N	Name	Position	Age (Years)	Discipline/Qualifications	Nationality
1.	Hicomad Mulda Bohay	Chairman	52	MSc in Business Administration, BSW	Tanzanian
2.	Perer Serukamba	Member	52	Masters in Business Administration	Tanzanian
3.	Octavian Pendo Mshlu	Member	49	MBA in Marketing Management and Strategic Management	Tanzanian
4.	David Shambwe	Member	51	BCom in Marketing	Tanzanian
5.	Patrick Magogozzi Mongella	Secretary/DG	53	Masters of Business Administration	Tanzanian

Source: CPB Board of Directors Meeting Reports

The Business Development Committee (BDC) held four ordinary meetings during the year ended 30 June 2024 to receive and deliberate on commercial service, information and communication technology, as well as planning and promotion quarterly performance reports.

2.3.3 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 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 30 June 2024 were as follows;

Table 4: The Members of the Committee as at 30 June 2024

S/ N	Name	Position	Age (Years)	Discipline/Qualifications	Nationality
1.	Halima Omar Dendego	Chairperson	54	Masters of Business Administration	Tanzanian
2.	Beno Malisa	Member	46	MSc of Tax in Revenue and Administration, LLB	Tanzanian
3.	Fadhil Fabian Ngwilo	Member	45	Masters of Arts in History	Tanzanian
4.	Patrick Magogozo Mongella	Secretary/DG	53	Masters of Business Administration	Tanzanian

Source: CPB Board of Directors Meeting Reports

The Legal and Human Resource Committee held four ordinary meetings during the year ended 30 June 2024 to receive and deliberate on administration and human resources as well as legal issues quarterly reports.

2.4 CAPITAL STRUCTURE

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

	2023/24	2022/23
	TZS	TZS
Capital	12,697,082,200	12,697,082,200
Retained Earnings	49,666,515,650	56,729,532,943
Balance as at year end	62,363,597,850	69,426,615,143

2.5 RELATIONSHIP WITH KEY STAKEHOLDERS

CPB is deeply connected and committed to the environment we operate in and the societies we serve. Our ability to deliver value is dependent on our relationships and the contributions and activities of our stakeholders. We engage in dialogue with our stakeholders to understand

their needs and seek to meet their expectations to create value for them and for the Board. During the financial year 2022/23 Cereals and Other Produce Board had a good relationship with stakeholders including its customers.

Table 5: Key Stakeholder Analysis

S/N	Stakeholder	Expectations	Service offered by CPB	Potential Impact
1.	Customers • Individuals • Institutions • Agents • Traders	• Adequate, reliable and quality supply of products and other related services • Market Information	• Goods and services • Market for cereals and other produce • Milling and Weighing services • Storage	• Market for cereals and produce • Improved livelihood • Reduced postharvest loss
2.	Financiers/ Donors	• Increased customer base • Good utilization of funds donated • Proper financial record keeping and timely • Submission of quality reports.	• Linking farmers and CPB agents with financial institutions	• Increased use of financial services • Improved livelihood
3.	Quality Assurance Regulators (TBS, ISO, OSHA)	• Adherence to production quality standards • Timely payment of statutory fees • Compliance to Occupational Safety and Health Authority (OSHA) Act No.5 of 2005	• Provision of required information and data	• Products adhered to quality standards
4.	Suppliers/ Contractors	• Collaboration with goods and service providers	• Market for goods and services • Timely and reliable data/information	• Availability of high-quality materials and services
5.	The Government with its Agencies and Local Authorities	• Adherence to laid down government policies and guidelines like: Finance Act 2004, PPA 2011 and Regulations of 2013, ELRA 2004 and the Income Tax Act • Good performance of the Management Team • Positively contribute toward poverty eradication • Contribute to the achievement of Vision 2025, National Five-Year Development Plan,	• Supply of quality and safe products • Contribution toward poverty eradication • Contribute to the achievement of the National Five-Year Development Plan, International agreements and Ruling Party Manifesto • Timely payment of taxes, levy and fees	• Non imposition of sanctions and penalties against the Board. • High cooperation from the Government and its agencies • Board getting qualified opinion. • Improved Board's image

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S/N	Stakeholder	Expectations	Service offered by CPB	Potential impact
		International agreements like SDGs and Ruling Party Manifesto		
6.	Political Institutions	<ul style="list-style-type: none"> Adherence to Ruling Party Election Manifesto To be treated with high degree of impartiality Provision of better services to the population 	Accurate data information	Provision of information and data about CPB performance.
7.	NGO's, Community Based Organisations (CBOs) and Pressure Groups	<ul style="list-style-type: none"> Being consulted/ involved when Board is making important decisions Environmentally friendly practices. 	Accurate data and information	Provision of information and data about CPB performance.
8.	Media	<ul style="list-style-type: none"> Timely and fair access to information Treated fairly and respected 	Accurate information and data about CPB performance.	Provision of information and data about CPB performance.
9.	Social Security Institutions including NSSF, PSSSF, NHIF	<ul style="list-style-type: none"> Timely remittance of employee's monthly deductions. Timely and effective communication 	Accurate data and information	Provision of information and data about CPB performance.
10.	Ministry of Agriculture	<ul style="list-style-type: none"> Adherence to the Performance Agreement. Adherence to laid down government policy and guidelines 	Accurate data and information	Provision of information and data about CPB performance.
11.	Research and Training Institutions	<ul style="list-style-type: none"> Practical knowledge for students who come for field work Utilization of the knowledge acquired for improvement of the Board's performance Research and consultancies in various issues related to CPB operations 	<ul style="list-style-type: none"> Field for practical for students. Research and consultancies in various issues related to CPB operations 	<ul style="list-style-type: none"> Experienced technical personnel Enhance collaboration, networking and sharing of information
12.	Transporters	<ul style="list-style-type: none"> Good agreement and contractual terms Timely Payments Reliable and timely information on cereals and other produce stock 	Market for their services	Strengthened collaboration with transporters

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S/N	Stakeholder	Expectations	Service offered by CPB	Potential Impact
13.	Utility Companies • TANESCO • DUWASA • TTCL	• Market	• Market for their services	• Strengthened collaboration and timely payment

Source: CPB Strategic plan (2018/19 - 2022/23)

2.6 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 at the end of the financial year 2023/24 was TZS 1.8 billion compared to the financial year 2022/23 where the balance was TZS 14.1 billion.

2.7 MANAGEMENT

Management consisted of Director General, Director of Planning and Promotion, Director of Finance and Administration, Director of commercial services, and 4 Head of Units.

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 Organization 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 while 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 and sales, Internal Audit, Procurement, Legal and Information and Communication Technology. Also, the CPB has five Zones namely Central, Southern Highland, Lake, Northern, and Eastern which are headed by Managers who are functionally reporting to the Director of Commercial Services.

2.8 PERFORMANCE

During the period under review (financial year 2023/24), the Board made a loss of TZS 6,993,589,694 compared to a loss of TZS 1,996,995,800 that was obtained during the financial year 2022/23. This was due to the fact that the margins made was not able to cover the fixed costs related to interest, depreciation and part of administrative costs, this being mainly attributed to high price variation during the period under review that affected CPB's operations in a negative way. Due to that, the cost of goods sold increase to 98% of the revenue from sales in the financial year 2023/24 compare to 89% in the financial year 2022/23. As part of minimizing operation costs, administrative costs (fixed costs) were reduced by TZS 355,361,552 (from 12,041,805,694 in the financial year 2022/23 to TZS 11,686,444,142 in the financial year 2023/24).

2.8.1 PHYSICAL PERFORMANCE ACHIEVEMENTS

In line with the principal functions of the Board, the plan and budget priority areas for the 2023/24 financial year were to:

- Purchase 117,665MT of cereals and other produce for value addition;
- Process 80,520MT of Cereals and Other Produce;
- Increase and sustain Storage and Processing Capacity;
- Rehabilitate existing processing plants and storage facilities;
- Review and implement Organization Marketing Strategy;
- Develop and implement Quality Assurance Systems for Products and Services;
- Improve Staff working environment; and
- Improve Internal Control and Management Information System

During the year ended 30 June 2024 the Institute's key achievements in physical terms were as follows:

- 49,345.78MT of cereals and other produce valued at TZS 45,006,209,647 were purchased from Iringa, Njombe, Songwe, Arusha, Dodoma, Manyara, Ruvuma, Singida, and Coast region;
- 26,075.77MT of cereals and other produce valued at TZS 18,899,147,425 were processed
- 37,669.88 MT of cereals and other produce were sold to various customers generating a revenue of TZS 11,686,444,142 (The Formula Not in Table);
- Government dependence ratio was reduced to 3.7% during the financial year 2022/23.
- Expansion of CPB products' market by working with international organization including World Food Programme (WFP);
- Increase revenue generation sources from sales of cereals and other produce to milling services and rental of storages where TZS 1,028,556,039 was generated during the year under review;
- TZS 212,617,248 were spent on purchase of computers peripherals, furniture and fittings and office equipment for staff; and
- The Board installed the ERMS system in order to strengthen the internal controls over payments and reporting.

2.8.2 FINANCIAL PERFORMANCE

Table 6: Summary of Revenue Earning Performance for the year ended 30 June 2024

Revenue Source	2023/24	2022/23
	TZS	TZS
Sales Revenue	12,930,599,821	56,638,351,371
Other Income	2,314,062,333	880,720,253
Subventions Grants from Government	2,081,021,170	2,775,463,780
Total Revenue	17,365,703,324	60,314,535,604

During the financial year 2023/24 the Board earned a total revenue of TZS 17,365,703,324 compared to TZS 60,314,535,604 earned in the financial year 2022/23. This is due to the facts that the financial year 2023/24 was characterized by high price variations of agricultural key crops and food products.

During the year under audit 2023/24, the CPB recorded a deficit of TZS 6,993,598,694 compared to a net loss of TZS 1,996,995,800 in the financial year 2022/23 which was attributed to price variations which had a negative impact on CPB's products and materials. The deficit is stated after charging the depreciation and amortization of TZS 2,550,026,415.

2.8.3 KEY PERFORMANCE RATIOS

The Key Performance Indicators (KPIs) are indicated in Table No.7 below.

Table No. 7: Key Performance Ratios

Key Indicators	Ratios	Purpose	2024	2023
Liquidity Ratios	Current Ratio	Ability of the Board to settle current obligation	1.2:1	2.5:1
	Acid-test ratio		0.1:1	2:1
	Cash ratio		5%	148%
Leverage Ratios	Debt Ratio	Relationship between assets and liabilities	38%	17%
Efficiency Ratios	Asset turnover	Ability of the Board to use its asset for revenue generation	14%	66%
	Inventory turnover	Ability of the Board to turn inventory in to revenues	1 Times	11 Times
Profitability Ratios	Gross Margin	Ability of the Board to generate profit	2%	11%
	Operating Margin		Loss of TZS 6,993,598,694	Loss of TZS 1,996,995,800

2.9 FUTURE PLANS

In the next five years CPB plan to:

Development of a new five years business strategic plan 2023/26-2029/30 that will define new CPB's future strategies and focus,

- a) Expansion of processing capacity of primary raw cereals and other produce;
- b) Concentrate on having the right people, process, tools, technology, brands and strategies in place to succeed on our journey forward;
- c) Continue to invest in our brands, drive category expansion and deliver consistent and profitable growth;
- d) Focus on areas that drive the greatest impact to the Government and public in general;
- e) 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;
- f) Invest in productivity to optimize our cost base and continue to be competitive for our customers; and
- g) Concentrate on customer focus

2.10 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.

2.11 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. The Board has incorporated the fundamental principle of IFRS 9 in capturing the effect of changes to the economic environment in the future, the computation of probability of default (PD), loss given default (LGD) and so expected credit loss incorporates forward-looking information; assumptions on the path of economic variables and asset prices that are likely to have an effect on the operations. Such variables include inflation, GDP Growth, population, total household spending, total food sales, total public debt, Government spending in priority sector, unemployment rate, and exchange rate movement. Below we provide a description of the operational and strategic risks facing the CPB.

2.12 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.

2.13 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.

2.14 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 of TZS 283,828,000 was set aside in the financial year 2023/24 to facilitate Training. The trainings conducted in the year under review was on Master's Degree (1 employee), Proficiency for Human Resource Officers (1 employee), Security in Government Operations by GSO (80 Employees), PEPMIS (16 employees), HIV and AIDS (83 Employees) and Corruption (83 Employees).

(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 various financial institutions including CRDB, NMB, TCB, PBZ, EQUITY Bank, and Azania 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; however, the negotiation with TUICO and contract has been concluded.

2.15 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 30 June 2023 the CPB had the following distribution of employees by gender.

Table 8: Permanent Employees

Gender	2024	%	2023	%
Male	53	72	48	73
Female	22	28	16	27
Total	74	100	64	100

Table 9: Contractual Employees

Gender	2023	%	2023	%
Male	59	80	95	71
Female	28	20	38	29
Total	87	100	133	100

Human Resource and Administrative Matters

CPB received 4 transferred permanent staff to cover vacancies of Marketing and Sales Manager, Office Management Secretaries, Principal Quality Assurance Officer and Driver.

2.16 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.

2.17 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 105,259,000 on CSR activity.

2.18 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 2023/24.

2.19 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.

2.20 STATEMENT OF COMPLIANCE


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

2.21 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), in Section 32(4) of the Public Audit Act, Cap 418 and Section 18(2) of the Cereals and Other Produce Board's Act No. 19 of 2009.


.....
MR. SALIM M. HAGAN
BOARD CHAIRMAN

DATE: 25/3/2025


.....
PATRICK M. MONGELLA
DIRECTOR GENERAL

3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH OVERNANCE

The Board's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 30 June 2024, 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



25/3/2025

DATE

Mr. Salum A. Hagan
CHAIRMAN OF THE BOARD

3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH OVERNANCE

The Board's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 30 June 2024, 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. Salim A. Hagan
CHAIRMAN OF THE BOARD

DATE

4.0 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, Mohammed Salim Mwandeghe, 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 30 June 2024 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: Mohammed Salim Mwandeghe

Signature: Mwandeghe

Position: Director of Finance and Administration (DFA)

NBAA Membership No: ACPA 1393

Date: 28/3/2025

5.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

ASSETS	Notes	2023/24 TZS	2022/23 TZS
Non-Current Assets			
Property, Plant & equipment	14	58,108,411,110	56,214,819,146
WIP	21	235,224,323	4,126,779,350
Scrapped Assets		14,223,800	14,223,800
Total non-current assets		58,357,859,233	60,355,822,296
Current Assets:			
Inventories	16	38,967,593,679	4,501,294,293
Trade and other receivable	17	485,937,053	4,740,868,056
Advance payment	17.8	353,316,811	268,104,250
Other receivables	26	100,000,000	50,000,000
Cash and cash equivalents	15	1,781,628,566	13,951,262,029
Total current-assets		41,688,476,109	23,511,528,628
TOTAL ASSETS		100,046,335,342	83,867,350,924
EQUITY & LIABILITIES			
Equity and reserves:			
Capital fund	22	12,697,082,200	12,697,082,200
Accumulated surplus		49,666,515,650	56,729,532,943
Total equity and reserves		62,363,597,850	69,426,615,143
Non-Current liabilities			
Long term Loans	19	3,618,187,638	4,910,660,875
Total non-current liabilities		3,618,187,638	4,910,660,875
Current Liabilities:			
Accrued interest on NSSF Loan	20	424,302,454	102,037,623
Trade and other Payable	18	424,201,121	5,839,774,988
Bank Overdraft	23	33,216,046,279	3,588,262,295
Total Current liabilities		34,064,549,854	9,530,074,906
TOTAL EQUITY & LIABILITIES		100,046,335,342	83,867,350,924

Notes form part of financial statements which approved by the board of Directors and Signed on its behalf by:


 MR. SALIM M. HAGAN
 BOARD CHAIRMAN



 DATE: 25/3/2025
 PATRICK M. MONGELLA
 DIRECTOR GENERAL

CEREALS AND OTHER PRODUCE BOARD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

REVENUES	Notes	2023/24 TZS	2022/23 TZS
Sales Revenue			
Less Cost of Goods Sold	4	12,970,599,822	56,658,351,571
Less Cost of Production Cost	5	(10,109,661,738)	(45,211,499,576)
Gross Profit	6	(2,563,196,138)	(5,058,226,135)
Other Income		297,741,946	6,388,625,860
Amortization Government Subvention	7	2,314,082,333	880,720,253
-OC and PE	8	2,081,021,170	2,775,463,780
Total Consolidated Other Income		4,395,103,503	3,656,184,033
Total Income		4,692,845,449	10,044,809,893
LESS OPERATING EXPENSES			
Salaries, Wages, and employees' benefits	9	3,095,007,798	3,039,576,772
Repair and maintenance	10	282,590,970	292,563,523
Administrative Expenses	11	5,346,751,858	4,233,854,347
Finance costs	12	2,305,779,963	2,544,246,376
Selling, Distribution and Marketing	13	656,313,553	1,931,564,676
TOTAL EXPENSES		11,686,444,142	12,041,805,694
Net Profit / Loss		(6,993,598,694)	(1,996,995,801)

Notes form part of financial statements which approved by the board of Directors and Signed on its behalf by


 MR. SALUM M. HAGAN
 BOARD CHAIRMAN

DATE: 25/3/2025


 PATRIK M. NONGELLA
 DIRECTOR GENERAL

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Capital Fund	Accumulated Retained Earnings	Revaluation	Total
	TZS	TZS		TZS
Balance as at 01 July 2023 Note 21	12,697,082,200	61,357,945,947	-	74,055,028,147
Prior year impairment adjustment (Note 28)	-	(4,628,413,004)	-	(4,628,413,004)
Restated balances	12,697,082,200	56,729,532,943	-	69,426,615,143
Net Profit / (Loss)	-	(6,993,598,694)	-	(6,993,598,694)
Prior year adjustment Note 26	-	(69,418,558)	-	(69,418,558)
Approximation errors	-	(41)	-	(41)
Balance as at 30 June 2024	12,697,082,200	49,666,515,650	-	62,363,597,850
Balance as at 01 July 2022 Note 21	10,697,082,200	48,073,643,245	-	58,770,725,445
Net Profit / (Loss)	-	(1,996,995,800)	-	(1,996,995,800)
Prior year adjustment (Note 26)	-	(5,550,319)	-	(5,550,319)
Revaluation Gain/Loss	-	(5,718,001,985)	-	(5,718,001,985)
Development Expenditure (capitalized)	2,000,000,000	-	-	2,000,000,000
Approximation errors	-	-2	-	-2
Revaluation	-	-	35,996,117,515	35,996,117,515
Transfer to Retained Earnings	-	21,004,850,808	(35,996,117,515)	-14,991,266,707
Balance as at 30 June 2023	12,697,082,200	61,357,945,947	-	74,055,028,147

Notes form part of financial statements which approved by the board of Directors and Signed on its behalf by:

.....
MR. SALUM M. HAGAN
BOARD CHAIRMAN


PATRICK M. MONGELLA
DIRECTOR GENERAL

DATE: 25/3/2025

CEREALS AND OTHER PRODUCE BOARD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

		2023/24 T25	2022/23 T25
Cash flow from operating activities	Notes		
Receipts from Internally Activities: -			
Receipts from sales of products	34	18,117,077,084	49,544,696,798
Receipts from other Income	34	1,398,822,601	880,720,253
Total Receipts from Internal Activities		19,515,899,685	50,425,417,051
Receipts from Government Subventions: -			
Employees' Emoluments & Benefit Grants	34	1,806,021,170	1,579,431,162
Other Charges Grant	34	275,000,000	1,196,032,618
Total Receipts from Internal Activities		2,081,021,170	2,775,463,780
Total Receipts from Operating Activities		21,596,920,855	53,200,880,831
Payments to Employees & Creditors: -			
Employees' Emoluments & Benefits	34	3,095,007,798	3,039,576,772
Suppliers/Creditors Goods & Services	34	9,848,820,047	3,550,099,324
Purchase and production costs	34	46,593,334,100	48,847,310,805
Other Payments	34	50,000,000	50,000,000
Total Payments		59,587,161,945	55,486,986,901
Net cash inflow from operating activities (A)		-37,990,241,090	-2,286,106,070
Cash flows from investing activities			
Acquisition of property, plant & Equipment	3,4	-620,395,513	-576,222,003
Advance payment -Motor Vehicles	17,8	-353,316,811	-268,104,290
WP Plant and Machinery Tanga	21	-39,241,022	-195,983,301
Net cash outflow from investing activities (B)		-1,012,953,346	-1,040,309,594
Cash flows from financing activities			
NSSF Loan Repayment	19	-1,292,473,237	-1,293,243,474
Capitalised Interests-NSSF	19		1,359,476,712
CRDB Loan Repayments	25	-480,066,881	-15,252,815,107
AZANIA Loan Repayments	25	-400,455,222	
NMB Loan Repayments	25	-912,027,568	
Government Subvention - Devo			2,000,000,000
Loan Receipts	27	29,747,860,744	18,172,410,167
Net cash flow from financing (C)		26,662,837,836	4,986,837,298
Net cash and cash equivalents (A + B + C)		-12,340,356,600	1,660,421,674
Cash and cash equivalent at the beginning of the period		14,146,176,916	12,465,755,242
Cash and cash equivalent at the end the period		1,805,820,316	14,146,176,916

Notes form part of financial statements which approved by the board of Directors and Signed on its behalf by:

MR. SALLUM M. HAGAN
BOARD CHAIRMAN

DATE: _____

PATRICK M. MONGELLA
DIRECTOR GENERAL

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

GENERAL INFORMATION

These are financial statements of the Cereals and other Produce Board of Tanzania for the year ended 30 June 2024. The Board was established under the Cereals and Other Produce Board Act No. 19 of 2009 which came into force on the 1 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. CHANGE IN ACCOUNTING POLICY

The adoption of IFRS 9 has fundamentally changed the Board's accounting for receivables loss impairments by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9: Financial Instruments was effective 1 January

2018. The Board has applied IFRS 9 using a modified retrospective approach, with an adjustment to retained earnings 1 July 2023

2.1 THE IMPACT OF CHANGE IN ACCOUNTING POLICY

The impact of adoption of IFRS 9 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.

The Entity operates with the following Banks with global ratings and Probability of Default (PD) as detailed below.

Name of the Bank	Rating Agency	Score	Probability of Default (PD)
NWB PLC	Moody's	B2	2.16%
CROB PLC	Moody's	B1	2.16%

DESCRIPTION	CASH AND BANK BALANCE	ACCUMULATED SURPLUS	REASON
FINANCIAL YEAR 2022/23	14,146,176,916	61,357,945,947	Change in Accounting Policy
EXPECTED CREDIT LOSS	<u>-194,914,887</u>	<u>- 194,914,887</u>	
RESTATED BALANCE	<u>13,951,262,029</u>	<u>61,163,031,060</u>	

2.2 INPUTS INTO MEASUREMENT OF ECLs

The key inputs into the measurement of ECLs are the discounted product of: probability of default (PD), loss given default (LGD) and exposure at default (EAD).

The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

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

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

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used

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in the ECL calculation is the original effective interest rate or an approximation thereof. The Lifetime PD is developed by applying a maturity profile to the current 12month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band.

This is supported by historical analysis.

CASH AND CASH EQUIVALENT

DESCRIPTION	30 June 2024	30 June 2023
Cash at Bank and on hand	1,805,820,316	14,146,176,916
Expected Credit Loss:		
Opening	194,914,887	
Charged during the year	170,723,137	194,914,887
Closing	24,191,750	194,914,887
Cash as per Statement of Net Asset	<u>1,781,628,566</u>	<u>13,951,262,029</u>

Analysis of Cash and Cash Equivalent

For the purpose of the statement of cash flows, cash and cash equivalent comprises of the following balances with less than 12 months' maturity from the date of acquisition

DESCRIPTION	30 June 2024	30 June 2023
Cash as per Statement of Financial Position	1,781,628,566	13,951,262,029
Add: Expected Credit Loss:	<u>24,191,750</u>	<u>194,914,887</u>
Gross Cash and Cash Equivalent	<u>1,805,820,316</u>	<u>14,146,176,916</u>

3. 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.

3.1. 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.

3.2. EXPENSES

Expenses are accounted for on an accrual basis.

3.3. FOREIGN CURRENCY TRANSLATION

The financial statements are presented in Tanzania Shillings (TZS), which is the Board functional and presentation currency. Transactions 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.

3.4. 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 Cost 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

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• Office Equipment	\$
• Motor Vehicles	\$
• Plant and Machinery	\$

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.

Included in the CPB's Property, Plant and Equipment is the Fire fight System which was received through the deed of handover between the Treasury Registrar Office and The Cereals and Other Produce Board as part of the Iringa Complex building and has no value. The Management is working on obtaining its cost through proper valuation and hence its separation.

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 Cost Mode.

The Board had additions of TZS 4,711,246,622 and TZS 945,609,655 for the year 2023/24 and 2022/23 respectively financed as follows:-

	2023/24	2022/23
Financed through:	TZS	TZS
Cash	620,395,513	576,222,003
Advance payment transfer to PPE		369,387,652
Transfer from WIP	3,930,796,049	
Donations (Assets from NWC)	160,055,060	
Total	4,711,246,622	945,609,655

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.

3.5. 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 rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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 FINANCIAL STATEMENTS (CONTINUED)

NOTE 14 (a): PROPERTY,
PLANT & EQUIPMENTS
Expected Life Span
Cost/Revaluation

	Land	Buildings	Motor vehicles	Furniture & fittings	Office equipment	Computers & Printers	Plant and Machinery	WIP	Total
01.07.2023	20,447,440,000	27,795,092,990	1,944,987,652	169,654,377	337,723,754	535,906,338	6,815,770,798	4,126,779,350	57,640,577,579
Additions	-	1,271,717,176	-	100,229,423	43,021,250	30,364,576	2,226,912,204	19,241,022	4,711,240,422
Transfer adjustment	-	-	(64,000,000)	-	-	-	-	(3,930,796,649)	(4,000,000)
Transfer from WIP	-	-	-	-	-	-	(199,965,870)	-	(199,965,870)
Prior year adjustment -Mauritza	-	-	-	-	-	-	-	-	-
factory	-	-	-	-	-	-	(16,482,373)	-	(16,482,373)
factory	-	-	-	-	-	-	-	-	-
Total 30.06.2024	20,447,440,000	29,066,810,150	1,880,987,652	269,883,799	279,747,034	606,272,964	9,826,254,759	235,224,322	62,377,354,358
Total Scrapped Assets	-	-	-	679,600	317,900	96,000	13,110,700	235,224,324	14,223,800
30.06.2024	20,447,440,000	29,066,810,150	1,880,987,652	270,563,399	280,064,934	606,368,964	9,855,547,832	-	62,377,296,358
Grand total	-	955,190,619	327,432,922	28,546,436	38,454,190	62,393,220	719,751,046	-	1,731,758,832
Accumulated depreciation	-	-	(12,000,000)	-	-	-	-	-	(12,000,000)
As at 01.07.2023 amount before	-	581,927,521	376,197,530	52,260,902	56,140,140	119,814,073	1,363,664,159	-	3,590,026,415
Revaluation	-	-	-	-	-	-	-	-	-
Adjustment transfer	-	-	-	-	-	-	-	-	-
Depreciation charges during the year	-	1,137,108,131	690,839,452	80,837,438	94,595,738	181,207,293	2,083,415,205	-	4,265,985,147
Total as at 30.06.2024	20,447,440,000	27,920,702,018	1,190,157,200	189,094,371	185,150,296	424,065,671	7,759,301,927	235,224,324	58,168,411,110
Net book value	20,447,440,000	27,795,092,990	1,944,987,652	169,654,377	237,723,754	535,906,368	6,815,770,798	4,126,779,350	57,946,577,978
As at 30.06.2024	-	-	-	-	-	-	-	-	-
As at 30.06.2023	-	-	-	-	-	-	-	-	-

Controller and Auditor General

AR/PA/CPB/2023/24

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	Land	Buildings	Leasehold Improvements	Prepaid Expenses	Office Equipment	Construction & Development	Plant and Machinery	Other Assets & Investments	Total
Assets cost as at 01.07.2022	29,576,104,411	8,974,254,435	628,728,137	147,214,430	1,337,300,119	883,853,099	8,304,253,119	1,936,796,599	56,203,150,190
Depreciation	-	(1,830,872,833)	(499,665,154)	(89,211,429)	(7,227,702,381)	(332,412,453)	(4,470,125,988)	-	(8,342,990,838)
Net Book Value	29,576,104,411	7,143,381,602	129,062,983	58,002,999	233,347,797	248,472,636	3,834,127,131	-	41,714,119,500
Gain/Loss on Revaluation	(15,749,634,411)	7,549,517,535	1,435,937,017	21,563,379	(258,359,387)	(100,109,630)	1,377,279,007	-	(5,718,081,966)
Revalued Assets cost as at 01.07.2022	14,226,470,000	14,693,139,137	1,566,000,000	79,566,378	64,988,410	148,363,006	5,211,406,138	-	35,996,117,515
Additions on Revaluation as at 01.06.2022	8,220,970,000	13,062,942,008	9,600,000	22,392,200	55,395,000	32,215,000	1,601,436,600	-	21,304,850,808
Disposals	-	-	-	-	-	-	-	-	-
Total Revalued Assets cost as at 01.07.2022	20,447,440,000	27,756,081,145	1,575,600,000	101,958,578	120,383,410	180,578,006	6,813,342,738	-	57,000,968,222
Additions During the year	-	43,271,205	369,387,652	57,896,127	117,342,284	355,324,388	2,438,000	195,983,301	845,609,656
Total Asset in use 30.06.2023	-	17,749,093,949	1,944,987,652	159,854,705	237,725,694	535,902,394	8,819,770,738	4,136,779,350	57,946,377,978
Total Scrapped Assets 30.06.2023	-	-	-	237,000	760,100	96,000	13,130,700	-	14,223,800
Accumulated Depreciation As at 01.07.2022 amount before Revaluation	-	1,830,872,833	499,665,154	89,211,429	1,227,702,381	232,412,453	4,470,125,988	-	8,342,990,838
Revaluation adjustment (Recognized on P.P.E. original cost)	-	(1,830,872,833)	(499,665,154)	(89,211,429)	(7,227,702,381)	(332,412,453)	(4,470,125,988)	-	(8,342,990,838)
As at 01.07.2022 amount after Revaluation	-	-	-	-	-	-	-	-	-
Depreciation charges during the year	-	555,180,610	337,432,922	28,546,436	38,454,508	62,393,220	719,751,296	-	1,731,758,332
Total as at 30.06.2023	-	555,180,610	337,432,922	28,546,436	38,454,508	62,393,220	719,751,296	-	1,731,758,332
Net Book Value As at 30.06.2023	29,576,104,411	27,219,912,339	1,617,954,730	141,107,941	199,271,184	475,745,727	6,096,019,793	-	56,214,819,146
As at 30.06.2022	29,576,104,411	7,143,381,602	129,062,983	58,002,999	233,347,797	248,472,636	3,834,127,131	-	41,714,119,500

Financing of additions have been attached to note 3.4

CEREALS AND OTHER PRODUCE BOARD

4 SALES REVENUE

	2023/24	2022/23
	TZS	TZS
Sales of Maize Flour	2,278,496,350	20,712,221,412
Sales of Cashew nut	63,647,373	1,145,342,217
Sales of Beans	463,241,189	484,103,830
Sales of Maize Grain	4,852,178,824	9,355,686,639
Sales of Maize Bran	282,478,460	1,212,588,345
Sales Revenue Defective Wheat	-	179,296,000
Sales of Sunflower Oil	472,283,745	804,569,765
Sales Revenue Fertilizer	27,793,700	12,172,408,989
Sales of White Sorghum	-	3,619,232,691
Sales of Husk	38,473,900	70,451,900
Sales of Rice	3,434,943,981	5,628,708,783
Sales of Sunflower Cake	11,395,400	43,421,000
Sales of Wheat Flour	641,636,200	518,345,600
Sales of Soya Beans	37,700	657,287,600
sales of Raw wheat	38,616,000	-
Sale of Groundnuts sales	80,513,000	-
Sales of Honey	308,000	-
Sales of Butter	1,962,000	-
Sales of Coloured rice	109,744,000	-
Sales of Broken rice	172,850,000	-
Sales of Paddy Bran	-	54,686,800
	12,970,599,822	56,658,351,571

5 COST OF GOODS SOLD

	2023/24	2022/23
	TZS	TZS
Opening stock	4,465,631,737	4,417,392,058
Opening stock not related to sales	35,862,556	-
Add: Purchases		
Purchases of Maize grain	39,704,955,805	23,112,219,283
Purchases of Rice	1,127,575,000	1,339,825,875
Purchases of Beans	447,298,550	171,022,068
Purchase of Sunflower Seeds	-	1,168,409,100
Purchases of White Sorghum	47,099,839	973,560,640
Purchase of Cashew nuts	5,060,000	-
Purchases of Rice Paddy	2,102,995,385	3,919,393,582
Purchases of Wheat	875,530,228	799,666,163
Purchases of Ground nuts	1,423,200	-
Purchases of Soya Beans	-	233,022,000
Purchases of Honey	2,830,000	-
Purchases of Cassava	2,100,000	-
Purchases of Maize flour	2,520,000	-
Purchases of Crude Oil	-	629,018,500
Sunflower seeds valuation	583,101,715	-
Fertilizer Purchases	-	12,254,140,100
POS Sales Items Purchases	53,507,925	519,423,234

CEREALS AND OTHER PRODUCE BOARD

Collateral Management		180,038,710
Crops cess	152,495,693	-
Total Purchases	50,212,000	45,259,739,254
Cost of Goods Available for Sale	45,158,705,340	49,677,131,313
Less Closing Stock	49,659,999,633	(4,465,631,737)
Less Sunflower seeds valuation gain	(38,967,236,180)	-
Cost of Goods Sold	(583,101,715)	45,211,499,576
6 PRODUCTION RELATED COSTS	10,109,661,738	2022/23
	2023/24	TZS
Additive	TZS	-
Repair and Maintenance Plant & Machinery	32,453,125	247,069,295
Milling expenses	67,441,476	-
Packaging Materials	30,452,000	534,888,234
Security Expenses (from note 11)	21,477,266	112,131,178
Quality Test for CPB Products (from note 11)	152,204,373	36,000
Rent Expenses POS, Godowns (From note 11)	201,040,000	311,989,509
Electricity bill 75%	-	457,496,682
Plant fees	332,662,436	38,210,057
Depreciation	12,154,250	1,731,758,833
Water Bill 75%	545,465,663	16,105,017
Wages and salaries 25%	11,048,662	622,371,050
Transportation of Maize / Production Cost	771,790,447	986,170,279
	385,006,440	5,058,226,134
	2,563,196,138	
7 OTHER INCOME	2023/24	2022/23
	TZS	TZS
Rent Income	603,265,266	12,424,100
Milling service	425,290,773	247,700,218
Weigh-Bridge Revenue	25,646,000	25,949,000
Other Products Sales	344,620,562	594,646,935
	1,398,822,601	880,720,253
ECL Gain (Note 29)	915,259,732	-
	2,314,082,333	880,720,253
8 Government Subvention - Transferred to Capital	2023/24	2022/23
	TZS	TZS
Government Subvention-PE - Amortized	1,806,021,170	1,579,431,162
Government Subvention-OC - Amortized	275,000,000	1,196,032,618
	2,081,021,170	2,775,463,780
9 SALARIES, WAGES AND EMPLOYEE BENEFIT	2023/24	2022/23
	TZS	TZS

CEREALS AND OTHER PRODUCE BOARD

Salaries and wages 75%	2,315,371,342	1,884,042,749
Annual Leave Allowance	33,842,800	17,466,280
Conference Facilities	45,821,206	173,893,234
Statutory responsibility allowance	169,375,210	125,880,000
Meeting and Sitting allowance	69,555,000	90,227,809
Furniture Allowance	24,800,000	5,000,000
Extra Duty Allowance	293,602,240	363,116,100
Recruitment	-	42,975,000
Subsistence Allowance	6,535,000	23,594,000
Honoraria	136,105,000	313,381,600
	<u>3,095,007,798</u>	<u>3,039,576,772</u>
	2023/24	2022/23
10 REPAIR AND MAINTENANCE EXPENSES	TZ5	TZ5
Car repairs & maintenance	187,525,478	163,101,178
Repair and Maintenance - Building	94,598,492	93,313,174
Computer and ICT Equipment Repair	467,000	420,000
Minor Civil Works	-	35,729,171
	<u>282,590,970</u>	<u>292,563,523</u>
	2023/24	2022/23
11 ADMINISTRATIVE EXPENSES	TZ5	TZ5
Audit fees and Expenses	161,984,000	90,219,000
Cleaning expenses	27,513,152	32,752,205
Condolence & Burial expenses	1,500,000	5,300,000
Electricity Bill 25%	110,887,479	149,521,697
Food and Refreshment	233,680,712	261,155,299
Fumigation	147,410,047	66,957,855
Consultancy	40,637,500	122,082,518
Internet	50,137,009	43,671,477
Depreciation	2,004,560,752	-
Special Allowance	73,608,627	288,490,700
Arbitrator - Legal Expenses	5,308,000	9,750,641
Moving Expenses	100,969,783	142,771,700
Ceremonials Expenses (Inaugurations)	-	65,000
Staff Training	137,775,769	242,569,150
Sundry Expenses	20,164,500	81,227,321
Foreign / Per diems	16,052,140	110,497,495
Board of Directors Meetings	291,985,955	351,971,350
Printing and photocopy	3,085,751	-
Domestic / per diems	1,134,136,579	1,650,631,177
Land Rent	1,200,000	7,925,800
Postage Charges	3,570,000	88,500
Air Ticket	40,324,455	152,171,995
Water Bills 25%	3,682,887	5,368,339
Uniforms	20,940,640	20,864,000
Asset Valuation	-	9,201,000
Social Responsibilities	105,259,000	63,557,000

CEREALS AND OTHER PRODUCE BOARD

Fees & Licenses Expenses			
Tender Board Expenses		70,737,027	12,395,250
Medical Expenses		4,500,000	30,400,000
Office Consumables			1,031,160
Insurance		66,873,020	194,459,029
Casual labour expenditure-Administration		77,505,347	84,158,689
Ground Travelling		377,829,777	
		12,931,950	2,599,000
		<u>5,346,751,858</u>	<u>4,233,854,347</u>
12	FINANCE COST	2023/24	2022/23
		TZS	TZS
Bank Charges and fees		257,611,142	695,567,887
Other finance costs		2,048,168,621	1,848,678,489
		<u>2,305,779,963</u>	<u>2,544,246,376</u>
13	SELLING MARKET AND DISTRIBUTION COST	30 June 2024 TZS	30 June 2023 TZS
Advertisement expenses		68,867,639	191,689,147
Distribution, sales and marketing		31,312,000	482,372,135
National and International Trade Exhibitions		41,860,761	61,195,000
Hire of Transportation		69,212,768	628,344,875
Casual labour		180,056,448	
Loading and Offloading Expenses		23,854,152	
CPB POS Expenses			358,522,488
Service Levy		6,456,358	
Diesel		234,693,427	209,441,031
		<u>656,313,553</u>	<u>1,931,564,676</u>
15	CASH AND CASH EQUIVALENT	30 June 2024 TZS	30 June 2023 TZS
Cash at hand		18,100	9,922,550
NMB 20101000087		5,480,227	394,207,715
BOT 9925260721		775,110,105	105,386,134
BOT CPB USD 9932446411		18,853,782	6,038,148,875
CRDB USD 0250601209300			409,180
Katavi NMB 61910036316		80,125	3,480,125
Dodoma NMB 50510023697		9,478,047	212,880,704
CPB Dar NMB 50510052344		681,139,529	6,703,005,040
HQ Collection CRDB 0150478092400			115,594,120
Arusha NMB 42710025428		29,296	304,083,528
Mwanza NMB 31110026605		243,952	7,099,615
Azania Bank 002000025256			2,434,582
CPB Dar NMB 20310046138		11,974,638	125,339,239
Special Account NMB 50510025111		296,028,767	280,867,874
NMB Bank PLC NMB 20110025111		7,383,748	(156,682,365)
Iringa NMB 60510017434		<u>1,805,820,316</u>	<u>14,146,176,916</u>
		(194,914,887)	
ECL Provision B/D			

CEREALS AND OTHER PRODUCE BOARD

ECL Movement during the year (Note 28)

	170,723,137	(194,914,887)
	1,781,628,566	13,951,262,029
16 CLOSING STOCK	30 June 2024	30 June 2023
	TZS	TZS
Rice	258,716,724	226,975,650
Maize	34,807,589,639	108,987,914
Maize flour	31,863,248	713,878,030
Sunflower Seed	1,377,787,500	883,756,500
Beans	52,620,811	20,368,669
Sunflower Oil	92,024,297	679,865,917
White Sorghum	48,450,000	390,000
Maize Bran	-	17,986,078
Rice Paddy	-	906,570,269
Cashew nuts	-	69,188
Wheat Flour	268,223,150	86,419,313
Crude Oil	198,705,000	35,595,323
Cashew nuts	-	44,880,000
Packaging	145,769,098	28,791,000
Wheat Grain	1,575,291,180	262,621,127
Ground nuts	-	191,926,363
Paddy Bran	41,800	-
Brian Rice	-	17,000
Broken Rice	18,578,970	-
Broken / Coloured Rice	-	740
Maize Grits	-	3,425,068
Honey	2,109,773	-
Fertilizer	-	50,010,526
Sunflower Input	9,821,163	-
Damaged Goods	1,016,970	-
Obsolesces Stocks	78,626,856	1,265,500
Wheat Bran	-	1,831,564
Stock Related to Sales	38,967,236,179	4,465,631,739
Stationaries/Office Consumables	357,500	14,487,417
Diesel	-	6,805,139
Fumigants	-	14,370,000
Stock not Related to Sales	357,500	-
TOTAL CLOSING STOCK	38,967,593,679	4,501,294,293
17 TRADE AND OTHER RECEIVABLES	30 June 2024	30 June 2023
	TZS	TZS
Receivables Dodoma	2,977,937,444	7,680,626,035
Receivables Arusha	518,590,628	676,833,454
Receivables Mwanza	91,501,000	117,193,533
Receivables Iringa	586,869,503	699,713,151
	4,174,898,575	9,174,366,173
	(4,433,498,117)	-
ECL Balance B/D	744,536,595	(4,433,498,117)
ECL Movement during the period (Note 28)		

CEREALS AND OTHER PRODUCE BOARD

17.B	ADVANCE PAYMENT	485,937,053	4,740,868,056
		30 June 2024	30 June 2023
		TZS	TZS
	Advance payment rice paddy Mwanza		261,104,250
	Advance payment DSM security		4,000,000
	Advance payment Motor vehicle		
	Advance payment-ARUSHA GPSA	353,316,811	3,000,000
		353,316,811	268,104,250
18	TRADE AND OTHER PAYABLES	30 June 2024	30 June 2023
		TZS	TZS
	Payables Headquarters	138,145,715	249,510,855
	Payables Iringa	94,856,440	4,698,038,484
	Payables Dar Es salaam		11,017,000
	Payables Mwanza	26,038,194	
	Payables Arusha	139,901,580	837,979,382
	Payables Dodoma	27,259,192	43,229,267
		424,201,121	5,839,774,988
19	LONG TERM LIABILITIES	30 June 2024	30 June 2023
		TZS	TZS
	Balance as at 01 July 2023	4,910,660,875	4,844,427,637
	Loan repayment	(1,292,473,237)	(1,293,243,474)
	Capitalized interest		1,359,476,712
		3,618,187,638	4,910,660,875
20	ACCRUED INTEREST ON NSSF LOAN	30 June 2024	30 June 2023
		TZS	TZS
	NSSF Loan Principal Short Term	424,302,454	67,003,475
	Accrued interest	424,302,454	35,034,148
			102,037,623
21	WORK IN PROGRESS (WIP)	30 June 2024	30 June 2023
		TZS	TZS
	Opening Balance	4,126,779,350	3,930,796,049
	Capitalized to PPE	(3,930,796,049)	
	Additional to WIP	39,241,022	195,983,301
	Closing Balance	235,224,323	4,126,779,350
22	CAPITAL FUND	30 June 2024	30 June 2023
		TZS	TZS
	Opening Balance	12,697,082,200	10,697,082,200
	Government Subvention-Dev		2,000,000,000
		12,697,082,200	12,697,082,200
23	BANK OVERDRAFT	30 June 2024	30 June 2023
		TZS	TZS
	CRDB Overdraft Facility	3,574,165,809	3,588,262,295

CEREALS AND OTHER PRODUCE BOARD

	NMB Overdraft Facility	13,799,328,919	-
	AZANIA Overdraft Facility	15,842,551,551	-
		<u>33,216,046,279</u>	<u>3,588,262,295</u>
	Movement During the Period		
	Balance as at July	3,588,262,295	-
	incoming during the period	31,420,333,655	18,841,077,402
	Payments	-1,792,549,671	-15,252,815,107
	Balance as at June	<u>33,216,046,279</u>	<u>3,588,262,295</u>
24	LOAN REPAYMENT ANALYSIS	30 June 2024	30 June 2023
		TZS	TZS
	Loan Repayment - NMB	912,027,568	-
	Loan Repayment - AZANIA	400,455,222	-
	Loan Repayment - CRDB	480,066,881	15,252,815,107
	Loan Repayment - NSSF	-	1,293,243,474
		<u>1,792,549,671</u>	<u>16,546,058,581</u>
25	PRIOR YEAR ADJUSTMENT	30 June 2024	30 June 2023
		TZS	TZS
	Plant & Machinery (2022/23)	199,965,870	-
	Plant & Machinery (2022/23)	16,462,352	-
	Security services expenses (2021/22)	-	3,907,119
	Salaries, wages and employee	-	5,643,200
	Prior year adjustment - Receivable	(147,009,664)	(4,000,000)
		<u>69,418,558</u>	<u>5,550,319</u>
26	OTHER RECEIVABLES	30 June 2024	30 June 2023
		TZS	TZS
	Balance B/F	50,000,000	-
	Funds advanced - MoA	100,000,000	50,000,000
	Funds refunded	(50,000,000)	-
		<u>100,000,000</u>	<u>50,000,000</u>
27	LOAN RECEIPTS	30 June 2024	30 June 2023
		TZS	TZS
	Loan Receipts-NMB	14,557,219,318	-
	Loan Receipts- AZANIA	15,121,204,350	-
	Loan Receipts- CRDB	69,437,076	18,173,419,167
		<u>29,747,860,744</u>	<u>18,173,419,167</u>
4	28. ECL Gain/(Loss)		

Impairment Allowance Movements

	Balances	Movement
	30 June 2023	30 June 2024

CEREALS AND OTHER PRODUCE BOARD

	TZS	TZS	TZS
ECL - Trade Receivables	4,433,498,117	3,688,961,522	744,536,595
ECL - Cash and Cash equivalent	194,914,887	24,191,750	170,723,137
Total Movement	4,628,413,004	3,713,153,272	915,259,732

29. COMMITMENT AND CONTINGENCIES

As at financial year end, the Board had a commitment of TZS 78,528,000 in respect of TIRDO and USD 154,679.41 in respect of UGUR MACHINE for completion of MWANZA RICE MILLS PLANT.

30. EMPLOYEES:

The number of employees at the end of the financial year 2023/24 was 74 permanent employees and 87 contractual Staff.

31. COMPERATIVE FIGURES

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

32. LITIGATIONS

For the year 2023/24 CPB liaised with the Office National Prosecution Services (NPS) to prosecute two criminal cases. One is in Mwanza (Nyamagana) against two former employees; where the case was finalized and judgement was delivered on 13 June 2024. One accused was convicted in jail for one year and the other was acquitted. The other one is in Dar es Salaam (Temeke) against one employee and this is scheduled for judgement on 28 August 2024.

For civil cases, the first one has been lodged by Monabani Trading and Farming Co. Limited claiming right over (some assets) at CPB's assets in Unga Limited, Arusha. This matter is waiting for a date to be set at Court of Appeal of Tanzania in Dar es Salaam. The second matter involves ADAS LLC which claims USD 13.5m as specific damages arising from termination of contract signed between ADAS and CPB of which the hearing will start from 1 up to 3 October 2024. And the last is the case against M/S Power and Networks Backup Ltd who is claiming for TZS 163,732,956 as general and specific damages for the breach of Consultancy Contract, the claims which is stringently denied by CPB. The matter is schedule for mention on 5 September 2024.

33. EVENTS AFTER THE REPORTING DATE

There were no events after the reporting date, 30 June 2024, which requires adjustment or disclosure in the financial statements.

CEREALS AND OTHER PRODUCE BOARD

Note: 34;

Explanatory Notes to Amount in Cash Flow Statement for the Period Ended 30 JUNE 2024

Particulars

Receipts from Government Subventions
PE Emoluments & Benefits

Total PE Received

Other Charges

Transfer to project

Total Other Charges Fund Received

Receipt from Sales of products

Trade Receivable B/D

Sales Revenue for the Year

Prior year Adjustment (receivables)

Total

Less: Deferred income B/D

Trade Receivable Balance C/F

TB Error Adjustment

Total Receipts - Sales of products

Receipt from other revenue

Receivable Balance B/D

Revenue for the period

Total

Less: Receivable Balance C/F

Receipt from other revenue

Payments of Emoluments and Other Costs

Salaries, Wages and Benefits Expenses

Employee's Benefits Payable B/F (+)

Total

Less: Staff Receivable Balance B/F (-)

Employee's Benefits Payable C/F (-)

Total Payments of Emoluments and Other Costs

Inventory Purchase

Trade Payables Balance B/F

Purchase costs as per P&L

Production related payments

Stock Advance payment

Total

Less: Depreciation

Inventory (sunflower seeds)

Payments for Goods and Services

Payments to Suppliers of other Goods & Services

Payables Balance B/D

Administration Expenses

Bank Charges and fees

Repair and Maintenance

Prior Year adjustment

Selling distribution and other costs

Employee's Benefits

Trade Payable Balance C/F

Total

Less: Prepayments B/D

Depreciation

Payments for Goods and Services

Notes

30 June 2024

30 June 2024

T25

T25

8

1,806,021,170

1,579,431,162

8

1,806,021,170

1,579,431,162

8

275,000,000

1,196,032,618

8

275,000,000

1,196,032,618

17

9,174,366,173

2,060,711,400

4

12,970,599,822

56,658,351,571

25

147,009,664

17

22,291,975,659

58,719,062,971

17

(4,174,898,575)

(9,174,366,173)

17

(4,174,898,575)

(9,174,366,173)

17

18,117,077,084

49,544,696,798

17

-

6

1,398,822,601

880,720,253

17

1,398,822,601

880,720,253

17

1,398,822,601

880,720,253

9

3,095,007,798

3,039,576,772

9

3,095,007,798

3,039,576,772

9

3,095,007,798

3,039,576,772

9

45,158,705,340

45,259,739,254

6

2,563,196,138

5,058,226,134

17B

-

261,104,250

6

47,721,901,478

50,579,069,638

5

(545,465,663)

(1,731,758,833)

5

(583,101,715)

(48,847,310,805)

18

5,839,774,988

2,199,573,559

11

5,346,751,858

4,233,854,347

15

257,611,142

695,567,887

10

282,590,970

292,563,524

25

-

5,550,319

13

656,313,553

1,931,564,676

18

(126,260,591)

-

18

(424,201,121)

(5,839,774,988)

11

11,832,580,799

3,518,899,324

11

(2,004,560,752)

-

11

9,828,020,047

3,518,899,324

CEREALS AND OTHER PRODUCE BOARD

Other payments			
Payables Balance B/D		-	-
Other receivables B/D		-	-
Prior Period Expenses (Accrued exp)	26	50,000,000	-
Total		50,000,000	-
Less: Payable Balance C/F		-	-
Exchange effects		-	-
Other receivables C/F		100,000,000	50,000,000
Total other payments		50,000,000	50,000,000