



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



CEREALS AND OTHER PRODUCE BOARD

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS AND COMPLIANCE AUDIT FOR THE FINANCIAL
YEAR ENDED 30 JUNE 2022

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April 2023

AR/CPB/2021/22

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.

Vision

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

Mission

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

Motto: "Modernizing External Audit for Stronger Public Confidence"

Core values

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

- i. Independence and objectivity
- ii. Professional competence
- iii. Integrity
- iv. Creativity and Innovation
- v. Results-Oriented
- vi. Teamwork Spirit

We do this by:

- ✓ Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- ✓ Helping to improve the quality of public services by supporting innovation on the use of public resources;
- ✓ Providing technical advice to our clients on operational gaps in their operating systems;
- ✓ Systematically involve our clients in the audit process and audit cycles; and
- ✓ Providing audit staff with adequate working tools and facilities that promote independence.

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ABBREVIATIONS

AC	Audit Committee
BCM	Business Continuity Management
CAG	Controller and Auditor General
CPB	Cereals and Other Produce Board
CSR	Corporate Social Responsibility
DFA	Director of Finance and Administration
ICT	Information Communication and Technology
IFRS	International Financial Reporting Standards
NBAA	National Board of Accountants and Auditors
TZS	Tanzania Shillings

1.0. INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Director General,
Cereals and Other Produce Board of Tanzania,
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 of Tanzania, which comprise the statement of financial position as at 30 June 2022, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Cereals and Other Produce Board of Tanzania as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting 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 of Tanzania 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 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, 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2. REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on procurement of works, goods and services in the Cereals and Other Produce Board of Tanzania for the financial year 2021/22 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 of Tanzania is generally in compliance with the requirements of the Public Procurement laws in Tanzania.

1.3. 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 the Cereals and Other Produce Board of Tanzania for the financial year 2021/22 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of Cereals and Other Produce Board of Tanzania is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.



Salhina M. Mkumba
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
April 2023



2.0. REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022

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 2022, which discloses the state of financial affairs of the Cereals and Other Produce Board (CPB). The report was prepared in accordance with the Tanzania Financial Reporting Standard Number 1 (TFRS1) issued by the National Board of Accountants and Auditors of Tanzania (NBAA) and International Financial Reporting Standards (IFRS).

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

i) ESTABLISHMENT

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

ii) CPB'S VISION

"To be a World class organization in cereals and other produce trade and management"

iii) CPB'S MISSION

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

2.2. STATUTE AND PRINCIPAL ACTIVITIES

A summary of functions and objectives of the CPB are:

- (a) To carry out commercial activities and such other activities as necessary, advantageous or prosper for the development of cereals and other produce industry; and
- (b) To facilitate Agricultural research on cereals and other produce, Extension service to growers and other dealers of cereals and other produce, Input services including fertilizers and agrochemicals, Promotion of production, marketing, processing, and storage of cereals and other produce, Dissemination of information or data relating to cereals and other produce and Promotion of technological advancement in cereals and other produce; and Provision of assistance in the information of farmers' cooperatives or organizations

Resources and Strengths

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

In terms of human resource, the CPB has well-qualified and committed staff dedicated to a long-term career in the CPB. Likewise, the management adheres to good governance that

promotes good labour relations. From its strategic perspective, the CPB enhances its financial sufficiency by improving management of its resources through prioritization of initiatives, implementing initiatives within the available financial envelope and prudently managing its sources of income. On technological side, the CPB has made significant efforts of adopting modern technology to improve its day-to-day operations.

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

Capacity Building

To improve knowledge and skills of employees, the CPB continued to address skills requirements through annual corporate training plan and budget. In the financial year 2021/22, 103 employees attended various capacity building trainings and courses

Enhance compliance with Legislation, Regulations, Policies and Standards

During the year under review, 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, CPB continued to address stakeholders' needs, expectations and providing timely responses to stakeholders' inquiries. It also continued to participate in various activities at national, regional and international level with the view of disseminating information and creating public awareness on its business operations. During the year under review CPB participated in national exhibitions such as Sabasaba and Nanenane together with international exhibition such as Dubai trade fair held in Dubai.

2.3. CORPORATE GOVERNANCE

There was no Board of Director in place During the year under review 2021- 2022. The previous Board completed their 3-year tenure on 20 August 2020. New Board of Director appointed on 24 August 2022. The Board of Directors for Cereals and Other Produce Board comprises the following members

S/N	Name	Position	Date of Appointment	Nationality
1.	Salum Awadh Hagan	Chairman	24 August 2022	Tanzanian
2.	Fadhil Ngajilo	Board Member	21 March 2022	Tanzanian
3.	Peter Serukamba	Board Member	21 March 2022	Tanzanian
4.	Emmanuel Makwabe	Board Member	21 March 2022	Tanzanian
5.	Wilman Kapenjama Ndile	Board Member	21 March 2022	Tanzanian
6.	Octavian Pendo Mshiu	Board Member	21 March 2022	Tanzanian
7.	David Shambwe	Board Member	21 March 2022	Tanzanian
8.	Nicomed Mulda Bohay	Board Member	21 March 2022	Tanzanian

S/N	Name	Position	Date of Appointment	Nationality
9.	Beno Malisa	Board Member	21 March 2022	Tanzanian
10.	Halima Ndendegu	Board Member	21 March 2022	Tanzanian
11.	Revelian Ngaiza	Board Member	21 March 2022	Tanzanian
12.	Dr Anselm P. Moshi	Secretary	1 July 2018	Tanzanian

The Cereals and Other Produce Board ascribes to the highest standards of governance. Through its Director General and Management upholds and practices the principles of sound corporate governance. During the year under review, CPB enhanced the ongoing installation of Rice milling machine with capacity of 96MT/day for Mwanza. This project is still underway.

2.4. RELATIONSHIP WITH STAKEHOLDERS

During the financial year 2021/22 Cereals and Other Produce Board had a good relationship with stakeholders including its customers.

2.5. 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.

2.6. MANAGEMENT

Management consisted of Director General, Director of Planning and Promotion, Director of Finance and Administration, Director of commercial services, three Branch Managers, one country market manager, one planning manager, one finance manager, one project and promotion manager, Legal officer, Human Resource - Administration manager and Head of Procurement Management unit.

2.7. FUTURE DEVELOPMENT PLANS

There was a strategic Plan established by the Board that has to cover 5 years from year 2016/17 to year 2020/21. The plan itemized a number of plans. Below schedule shows such plans with the achievement so far attained:

Plan	Achievement so far
To enhance cereals and other produce production and productivity	Procurement of 7,200MT of maize out of 14,000MT completed (51.42%) Procurement of 621MT of Sunflower seed out of planned 6,000MT completed (10.35%)
To improve CPB infrastructure in Mwanza Branch, (for rice and flour milling), Dodoma and Iringa milling plants; Mwanza warehouses, Dodoma, Mwanza and Iringa offices.	Rehabilitation of Rice milling machine with capacity of 96MT/day for Mwanza is going on. The maize milling building at Kizota was constructed. Installation of Sunflower Mill plant is awaiting for Completion of Plant Building Construction. Rehabilitation of Iringa maize mill is at 10% of completion.

Plan	Achievement so far
To enhance organizational commercial functions	<ul style="list-style-type: none"> • Staff training on quality management system has been scheduled for April, 2019. • Fumigation of warehouses 6 at Dodoma and 1 at Iringa has been done. • Fumigation of 8 silos at Iringa has been done.
To enhance Business capital for growth and sustainability.	<ul style="list-style-type: none"> • Market research for TAMISEMI schools in Iringa, Pwani, Dodoma, Dar es Salaam and Mwanza has been done in order to expand CPB market share.
To sustain organization's functions and improving staff welfare and conditions	<ul style="list-style-type: none"> • Four ordinary and five extraordinary Board of Directors meetings have been conducted. • 12 staff went for annual leave as per leave roaster • 4 Staff went for short course training on international marketing, produce quality management and front office management.

2.8. FINANCIAL PERFORMANCE DURING THE YEAR 2021/22

During the year under audit 2021/22, the Board managed to generate a total of TZS 41,032,828,924 (2020/21: TZS 15,582,473,542) as revenue from Exchange Transactions and also the Board received TZS 5,678,110,069 (2020/2021:TZS 15,807,744,141) as revenue from Non-Exchange transactions.

During the year 2021/22, the Board incurred total expenses of TZS 10,693,986,120 (2020/21: TZS 6,736,227,653), Total Assets of TZS 69,455,063,226 (2020/21: TZS 62,076,457,611 and profit of TZS 3,143,523,813 (2020/21:TZS 3,111,689,366) as it has been shown in the statement of Comprehensive Income.

2.9.RISK MANAGEMENT AND INTERNAL CONTROL

The Director General takes final responsibility for risk management and internal control systems of the CPB. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations
- The safeguarding of the CPB's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

The efficiency of any internal control system depends on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the CPB's system is designed to provide the Director General with reasonable assurance that procedures in place are operating effectively. The CPB ensures that existing and emerging risks are identified and managed within acceptable risk tolerance.

2.10. 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. Provided below are descriptions of the operational and strategic risks facing CPB.

2.10.1. OPERATIONAL RISK

This 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) usiness 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.

2.10.2. STRATEGIC RISK

This covers analytical and policy risk which is associated with economic and monetary policy formulation; business risk which refers to the probability of loss inherent in the CPB's operations and environment; performance risk which is associated with formulation

and execution of business plans and strategies; and external risks which refers 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 that view, 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.

2.11. EMPLOYEES WELFARE

(a) Management and employee's relationship

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

(b) Training facilities

Budget was put aside in the financial year 2021/22 to facilitate Training, the trainings conducted in the year under review was on continue professional development (10 employee), strategic leadership and business management (23 employee) public asset management (2 employee), E-Office (40 employee), Masters in information technology (1 employees), Diploma in records management (1 Employees), website management (2 Employees), Enterprises resource planning Training (24 Employees).

During this year under audit 2021/22, the Board incurred a total of TZS 94,773,513 (2020/2021: 129,591,445) for staff training.

(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, deduction are submitted directly from Ministry to the fund..

(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, CPB made no internal financial assistance to staff. CPB has a Memorandum of Understanding (MoU) with CRDB Bank that offers loans to its staff. Negotiations with NMB Bank are ongoing.

(f) Persons with disabilities

During the financial year 2021/22 CPB had one (1) person with disabilities.

(g) Voluntary agreement and worker's council

Currently there is no voluntary agreement with worker's council, although twenty one (21) staff had contributed to TUICO and negotiation with TUICO to form the workers council is in progress.

2.12. 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 2022 the CPB had the following distribution of employees by gender.

(I) Permanent Employees

Gender	2022	%	2021	%
Male	44	71	40	70
Female	18	29	17	30
Total	62	100	57	100

(II) None Permanent Employees

Gender	2022	%	2021	%
Male	62	70	69	72
Female	26	30	27	28
Total	88	100	96	100

Human Resource and Administrative Matters

CPB recruited one (1) marketing and sales officer, and eleven (11) staff who were previously recruited, reported on their work stations. Also, during the year under review, four (4) staff joined CPB as permanent transfer (Internal auditor-1, Marketing and sales officer (1), and Procurement officer (2)).

2.13. ENVIRONMENTAL CONTROL PROGRAM

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.

2.14. 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, the CPB participated on the International Day of Disabled Persons where the Board provide 5 wheel chairs worth TZS 2,000,000. Also the Board were able to provide free food to Government Schools in Dodoma worth TZS 3,077,500. Again, the Board were able to support Umonga Secondary school by providing 1,225kg of maize flour and 310kg of beans.

2.15. 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 2021/22.

2.16. 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.

2.17. STATEMENT OF COMPLIANCE

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

2.18. AUDITORS

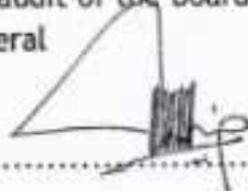
The Controller and Auditor-General (CAG) is the statutory auditor for the CPB pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2005), and as per the Public Audit Act, However, in accordance with Section 33(1) of the Act M/s Probs Associate were authorized to carry out the audit of the Board for the year ended 30 June 2022 on behalf of Controller and Auditor General


.....

Salum Awadh Hagan
BOARD CHAIRMAN

27th March, 2023

DATE


.....

John Damas Maige
Ag: DIRECTOR GENERAL

3.0.STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board's of directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 30 June 2022, the statement of comprehensive income for the period ended 30 June 2022, the statement of changes in net assets, cash flows statement, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International financial reporting standards (IFRs).

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 the Board of Directors on



Salum Awadh Hagan
CHAIRMAN

27th March, 2023
DATE

4.0. DECLARATION OF THE DIRECTOR 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, Winchislaus Rweyongeza, the Finance Manager (FM) at Cereals and Other Produce Board of Tanzania hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2022 have been prepared in compliance with International Financial Reporting Standards (IFRs) 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: Winchislaus Rweyongeza

Signature:  _____

Position: Finance Manager (FM)

NBAA Membership No: ACPA 4399

Date: 27 MARCH, 2023

5.0. FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

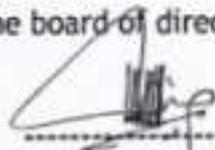
ASSETS	NOTES	2021/22 TZS	2020/21 TZS
Non-Current Assets			
Property, Plant & equipment	3	41,714,119,500	42,540,454,228
WIP	21	3,930,796,049	2,184,876,040
Total non-current assets		45,644,915,549	44,725,330,268
Current Assets:			
Inventories	16	4,417,392,058	3,359,923,153
Trade and other receivable	17	2,060,711,400	94,782,900
Cash and cash equivalent	15	12,485,755,242	13,896,421,290
Total current-assets		18,963,858,700	17,351,127,343
TOTAL ASSETS		64,608,774,249	62,076,457,611
EQUITY & LIABILITIES			
Equity and reserves:			
Capital fund		10,697,082,200	5,697,082,200
Accumulated surplus		48,073,643,245	49,939,836,426
Total equity and reserves		58,770,725,445	55,636,918,626
Non-Current liabilities			
Long term Loans	19	4,422,229,335	4,956,463,425
Accrued Interest on NSSF Loan	20	164,499,175	269,807,606
Total Non-Current liabilities		4,586,728,510	5,226,271,031
Current Liabilities:			
Trade and other Payable	18	1,251,320,294	1,213,267,954
Total Current liabilities		1,251,320,294	1,213,267,954
TOTAL EQUITY & LIABILITIES		64,608,774,249	62,076,457,611

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



 BOARD CHAIRMAN

27th March, 2023
 DATE



 Ag: DIRECTOR GENERAL

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021/22 TZS	2020/21 TZS
REVENUES			
Sales Revenue	4	41,032,828,924	15,582,473,542
Less Cost of Goods Sold	5	(30,559,064,854)	(19,992,634,010)
Less Cost of Production Cost	6	(2,562,701,280)	(1,784,988,678)
Gross Profit		7,911,062,790	(6,195,149,146)
Add Other Income			
Other Sales Revenue	7	248,337,074	235,322,024
Government Subvention -	8	5,678,110,069	15,807,744,141
Total Consolidated Other Income		5,926,447,143	16,043,066,165
Total Income		13,837,509,933	9,847,917,019
LESS OPERATING EXPENSES			
Salaries, Wages, and employees benefits	9	2,735,556,011	1,840,907,012
Repair and maintenance	10	364,949,698	330,761,645
Administrative Expenses	11	3,042,369,178	1,932,400,535
Finance costs	12	2,522,034	4,210,358
Moving Expenses		-	121,207,984
Selling, Distribution and Marketing	13	2,651,591,384	-
Depreciation	3	1,896,997,815	2,506,740,119
TOTAL EXPENSES		10,693,986,120	6,736,227,653
Net Profit/ Loss		3,143,523,813	3,111,689,366

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

.....
BOARD CHAIRMAN

27th March, 2023
DATE

.....
Ag: DIRECTOR GENERAL

CEREALS AND OTHER PRODUCE BOARD OF TANZANIA (CPB)

STATEMENT OF CHANGES IN EQUITY

	Capital Fund TZS	Accumulated Surplus TZS	Total TZS
Balance as at 01.07.2021	5,697,082,200	49,939,836,426 (5,009,716,994)	55,636,918,626 (5,009,716,994)
** Prior Year Adjustment -1 (understated inventory figure)			
New Balance as at 01.07.2021	5,697,082,200	44,930,119,432	50,627,201,632
Net Surplus / (Deficit)		3,143,523,813	3,143,523,813
Development Expenditure (Capitalized)	5,000,000,000	-	5,000,000,000
Balance as at 30.06.2022	10,697,082,200	48,073,643,245	58,770,725,445
Balance as at 01.07.2020	5,697,082,200	46,828,147,060	52,525,229,260
Net Surplus / (Deficit)		3,111,689,366	3,111,689,366
Balance as at 30.06.2021	5,697,082,200	49,939,836,426	55,636,918,626

**** Prior Year Adjustment -1 (understated inventory figure)**

In prior year ended 30th June 2021, the Board performed stock valuation without including the value of stock of Maize, maize floor, and packing materials from Iringa Branch and Dar es Salaam Branch that altogether was totalling to TZS 5,009,716,994

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



BOARD CHAIRMAN

27th March, 2023

DATE



AG: DIRECTOR GENERAL

CEREALS AND OTHER PRODUCE BOARD OF TANZANIA (CPB)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2022

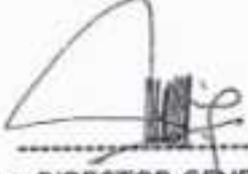
		2021/22 TZS	2020/21 TZS
Cash flow from operating activities	Notes		
Net Income		3,143,523,813	3,111,689,366
Adjustments for :-			
Depreciation	3	<u>1,896,997,815</u>	<u>2,506,740,119</u>
		5,040,521,628	5,618,429,485
Increase or Decrease in Current Assets:-			
Accounts Receivables	17	(1,965,928,500)	942,444,343
Inventories	16	(1,057,468,905)	4,028,976,610
Adjustment on inventory figure		(4,875,258,248)	
Increase or (Decrease) in Current Liabilities:-			
Accounts Payables	18	<u>38,052,340</u>	<u>421,317,676</u>
		(7,831,634,042)	5,392,738,629
Net cash inflow from operating activities (A)		<u>(2,820,081,685)</u>	<u>11,011,168,114</u>
Cash flows from investing activities			
Acquisition of property, plant & Equipment	3	(1,310,430,264)	(6,202,953,002)
WIP Plant and Machinery Mwanza	21	(1,745,920,009)	(808,822,647)
Net cash outflow from investing activities (B)		<u>(3,056,350,273)</u>	<u>(7,011,775,649)</u>
Cash flows from financing activities			
NSSF Loan (Restructuring effect to Principal Amount)			1,288,194,596
NSSF Loan (Restructuring effect to Interest Amount)			1,939,451,571
NSSF Loan Repayment		(534,234,090)	
Government Subvention - Devo		5,000,000,000	-
CRDB Loan		11,008,228,746	-
CRDB Loan Repayments		(11,008,228,746)	-
Net cash flow from financing (C)		<u>4,465,765,910</u>	<u>3,227,646,167</u>
Net cash and cash equivalents (A + B + C)		<u>(1,410,666,048)</u>	<u>7,227,038,632</u>
Cash and cash equivalent at the Beginning of year		<u>13,896,421,290</u>	<u>6,669,382,658</u>
Cash and cash equivalent at the end of year		<u>12,485,755,242</u>	<u>13,896,421,290</u>

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



BOARD CHAIRMAN

27th March, 2023
DATE



Ag: DIRECTOR GENERAL

NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

These are financial statements of the Cereals and other Produce Board of Tanzania for the year ended June, 2019. 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 (IFRSs) and its interpretations as issued by International Accounting Standards Board (IASB).

(b) Basis of Preparation

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

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

(c) Functional and presentation currency

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 REVENUE

Revenue recognition

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

from sale of products like maize flour, maize grain, sorghum, sunflower seeds and oil, as well as all other CPB products are recognized when the customer has been invoiced, and item already transferred to the buyer. The revenue from weighbridge is recognized when cash received after the vehicle had been measured. Revenue from warehouse (rents) is recognized when a tenant has been invoiced and the agreement of hiring has been signed by both parties.

Government subvention

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

Rental Income

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

2.1. EXPENSES

Expenses are accounted for on an accrual basis.

2.2. FOREIGN CURRENCY TRANSLATION

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

2.3. 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
▫ Office Equipment	5
▫ Motor Vehicles	5
▫ Plant and Machinery	5

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

Subsequent Costs

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

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

Impairment of non-financial assets

The Board assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Board makes an estimate of the asset's recoverable amount. An asset's recoverable amount is higher of an asset's 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 in accrual basis.

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

2.4. 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

CEREALS AND OTHER PRODUCE BOARD OF TANZANIA (CPB)

to any provision is presented in statement of financial performance net of any reimbursement. If the effect of the time value of money is material, provision are discounted using a current pre-tax that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Inventories

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

Raw materials - purchase cost on first in first out basis:

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.

CEREALS AND OTHER PRODUCE BOARD OF TANZANIA (CPB)

3. NOTES TO THE ACCOUNTS (CONTINUED)

Expected Life Span	Land	Buildings	Motor vehicles	Furniture & fittings	Office equipments	Computers & Printers	Plant and Machinery	Total
Cost/revaluation								
01.07.2021	29,976,104,411	8,207,203,668	626,728,137	1,40,705,300	1,192,476,870	312,146,310	8,291,315,179	48,746,679,875
Additions		767,070,977	-	2,609,300	358,573,208	168,738,779	13,438,000	1,310,430,264
Disposal	-	-	-	-	-	-	-	-
Total 30.06.2022	29,976,104,411	8,974,274,645	626,728,137	143,314,600	1,551,050,078	480,885,089	8,304,753,179	50,057,110,138
Accumulated depreciation								
As at 01.07.2021	-	1,672,237,790	219,354,848	62,662,156	1,137,980,171	172,972,304	2,940,996,377	6,206,225,646
Depreciation Charge during the year	-	158,615,043	277,310,306	22,549,773	89,722,110	59,440,149	239,767,178	239,767,178
Total 30.06.2022	-	1,830,872,833	496,665,154	85,211,929	1,227,702,281	232,412,453	4,470,125,988	8,342,990,638
Net book value								
As at 30.06.2022	29,976,104,411	7,143,401,812	130,062,983	58,102,671	323,347,797	248,472,636	3,834,627,191	41,714,119,500
As at 30.06.2021	29,976,104,411	6,534,945,878	407,373,289	78,043,144	54,496,699	139,174,006	5,350,316,802	42,540,454,228

CEREALS AND OTHER PRODUCE BOARD OF TANZANIA (CPB)

Expected Life Span	Land	Buildings	Motor vehicles	Furniture & fittings	Office equipments	Computers & Printers	Plant and Machinery	Total
Cost/revaluation 01.07.2020	29,976,104,411	7,734,446,647	626,728,137	73,009,300	999,161,541	177,918,193	2,956,358,643	42,543,726,872
Additions	-	472,757,021	-	67,696,000	193,315,329	134,228,117	5,334,956,536	6,202,953,000
Disposal	-	-	-	-	-	-	-	-
Transfer from W/P	-	-	-	-	-	-	-	-
Total 30.06.2021	29,976,104,411	8,207,203,668	626,728,137	140,705,300	1,192,476,869	312,146,310	8,291,315,179	48,746,679,872
Accumulated depreciation	-	-	-	-	-	-	-	-
As at 01.07.2020	-	1,512,630,272	94,009,221	29,772,946	916,989,210	130,096,364	1,015,987,514	3,699,485,521
Charge during the year	-	159,627,518	125,345,627	32,889,210	220,990,961	42,875,940	1,925,010,863	2,506,740,111
Total 30.06.2021	-	1,672,257,790	219,354,848	62,662,156	1,137,980,172	172,972,304	2,940,998,377	6,206,225,641
Net book value	29,976,104,411	6,534,945,878	407,373,289	78,043,144	54,496,698	139,174,006	5,350,316,803	42,540,454,221
As at 30.06.2021	29,976,104,411	6,221,816,375	532,718,916	43,236,354	82,172,330	47,821,829	1,940,371,129	38,844,241,341
As at 30.06.2020	-	-	-	-	-	-	-	-

4 SALES REVENUE

	2021/22	2020/21
	TZS	TZS
Sales of Maize Flour	9,579,490,782	1,848,117,890
Sales of Cashew nut	85,270,510	-
Sales of Beans	335,398,850	11,390,260
Sales of Maize Grain	17,477,586,020	11,323,100,250
Sales of Maize Bran	690,404,850	202,278,150
Sales of Deffective Maize	-	116,025,000
Sales of Sunflower Oil	596,314,592	846,384,000
Sales of White Sorghum	415,051,000	680,000,000
Sales of Husk	11,462,950	3,985,000
Sales of Rice	7,091,683,474	121,553,362
Sales of Rotten Maize	-	141,990,030
Sales of Sunflower Cake	36,000,100	287,649,600
Sales of Wheat Flour	374,063,870	-
Sales of Sunflower Seeds	3,800,000,000	-
Sales of Soya Beans	356,152,926	-
sales of wheat Bran	74,321,000	-
Sale of Polland Bran	13,890,000	-
Sales of Rice Bran	95,738,000	-
	41,032,828,924	15,582,473,542

5 COST OF SALES

	2021/22	2020/21
	TZS	TZS
Opening stock	3,359,923,153	7,388,899,763
Add: Purchases		-
Purchases of Maize	17,127,639,638	13,929,015,470
Purchases of Rice	504,575,950	735,422,640
Purchases of Beans	443,317,990	13,384,000
Purchase of Sunflower Seeds	3,449,633,921	602,609,235
Purchases of White Sorghum	1,740,788,652	670,901,455
Purchase of Cashewnuts	1,049,240,632	12,324,600
Purchases of Rice Paddy	3,978,975,000	-
Packaging - for Crop Purchases	154,902,750	-
Purchases of Wheat	835,708,670	-
Purchases of Rice Bran	6,000,000	-
Purchases of Soya Beans	576,149,749	-
Purchases of Dagaa Mchele (anchovies)	488,347,600	-
Purchases of Crude Oil	216,100,100	-
POS Sales Items Purchases	241,035,310	-
CRDB Loan Interest	614,257,779	-

CEREALS AND OTHER PRODUCE BOARD OF TANZANIA (CPB)

Qualatorial Management	26,432,000	-
Total Purchases	31,453,105,741	15,963,657,400
Cost of Goods Available for Sale	34,813,028,894	23,352,557,163
Less Closing Stock	(9,263,681,035)	(3,359,923,153)
Adjustment 1 (Prior year adjustment-Understated inventory figure)	5,009,716,994	
Cost of Sales	30,559,064,854	19,992,634,010

6 PRODUCTION RELATED COSTS

	2021/22	2020/21
	TZS	TZS
Loading and Offloading Expenses	19,641,450	121,807,630.00
Paddy Processing	291,123,200	-
Additive	10,913,105	-
Casual labour	101,583,068	-
Packaging Materials	652,126,168	-
Cashewnuts Processing Fee	427,265,800	-
Electricity bill 75%	261,220,408	-
Water Bill 75%	14,490,699	-
Wages and salaries 25%	609,719,486	-
Transportation of Maize / Production Cost	174,617,896	-
Advertisement expenses	-	90,166,348
Distribution, sales and marketing	-	77,750,480
National and International Trade Exhibitions	-	64,152,960
Kilwa Cassava Project	-	13,891,000
Mtwara Cassava Project	-	6,600,000
Crops Purchases Expenses	-	14,199,300
Communication Expenses	-	9,975,000
Rebagging expenses-Maize flour and Rice	-	2,913,600
Casual labour	-	49,148,995
Packaging Materials	-	53,110,845
Hire of Transportation	-	2,982,000
Environment Assessment	-	450,000
Sample Testing Expenses	-	1,170,000
Sewing Machine	-	5,582,000
Woven Bags Purchases	-	11,800,000
Wheat Project Expenses	-	11,515,200
Transport of Rice	-	108,000
Electricity 75/100	-	202,937,680
Water bill 75/100	-	12,499,243
Wages and salaries 25/100	-	428,820,870
Operating Expenses Dar	-	27,275,109
Air Compressor Purchases	-	2,000,000

CEREALS AND OTHER PRODUCE BOARD OF TANZANIA (CPB)

Production Cost	-	393,350,708
Quality Test Expense	-	820,000
Arbitrators Fee Expenses	-	12,800,000
Beans Cleaning Expenses	-	20,679,000
Cashenuts Expenses	-	3,932,300
Millet Expenses	-	909,700
WFP Maize Order Cost	-	141,640,710
	2,562,701,280	1,784,988,678
7 OTHER REVENUE	2021/22	2020/21
	TZS	TZS
Rent Income	217,143,024	227,382,024
Weigh-Bridge Revenue	26,880,000	7,940,000
Other Products Sales	4,314,050	-
	248,337,074	235,322,024
8 Government Subvention	2021/22	2020/21
	TZS	TZS
Government Subvention-PE - Amortized	1,498,088,162	1,128,489,229
Government Subvention-OC - Amortized	4,180,021,907	4,679,254,912
Government Subvention-OC - Development	-	10,000,000,000
	5,678,110,069	15,807,744,141
9 SALARIES, WAGES AND EMPLOYEE BENEFIT	2021/22	2020/21
	TZS	TZS
Salaries and wages 75%	1,829,158,459	1,286,462,609
Annual Leave Allowance	27,472,788	28,154,320
Consultancy	105,374,979	-
Conference Facilities	7,073,034	-
Statutory responsibility allowance	138,798,001	90,550,000
Meeting and Sitting allowance	124,566,550	-
Interview and Website	-	26,353,583
Furniture Allowance	162,000,000	-
Extra Duty Allowance	237,347,200	212,592,000
Responsibilities Allowance Fuel	-	800,000
Recruitment	2,596,000	67,970,000
Subsistence Allowance	-	3,853,500
Sitting Allowance	-	48,581,000
Honoraria	101,169,000	75,590,000
	2,735,556,011	1,840,907,012

10 REPAIR AND MAINTENANCE EXPENSES

	2021/22	2020/21
	TZS	TZS
Car repairs & maintenance	138,771,552	88,392,322
M & R Weigh Bridges and Scales	-	17,515,000
Repair and Maintenance - Building and Godown	60,928,540	151,122,524
Repair and Maintenance Office Equipment	1,335,000	-
Computer and ICT Equipments Repair	4,099,960	1,802,030
Repair and Maintenance Plant & Machinery	116,989,843	71,929,769
Furniture	805,500	-
Minor Civil Works	42,019,303	-
	364,949,698	330,761,645

11 ADMINISTRATIVE EXPENSES

	2021/22	2020/21
	TZS	TZS
Audit fees and Expenses	128,232,000	55,592,000
Cleaning expenses	62,970,900	30,960,950
Condolence & Burial expenses	10,950,000	4,320,000
Electricity Bill 25%	87,073,469	67,645,893
Food and Refreshment	194,025,637	128,221,316
Fumigation	24,572,343	65,315,025
Entertainment	-	45,000
Fuel Motor Vehicles	-	124,855,865
Penalties	17,452,192	-
Rental Expenses POS	-	48,504,257
Minor Civil Works	-	2,801,000
Plant Annual Fee	10,161,000	12,188,000
Office Rent	-	7,985,000
Internet	52,494,858	-
Building Permit	978,366	-
Withholding Tax	-	76,841,456
Office Stationaries	-	17,225,529
Registration Fee and Business Licence	-	115,000
Rent Expenses POS, Godowns	328,701,982	-
Arbitrator - Legal Expenses	15,311,500	6,338,350
Moving Expenses	79,958,720	-
Quality Test for CPB Products	18,491,600	-
Ceremonials Expenses (Inagulations)	15,200,000	-
Staff Training	94,773,513	129,591,445
Office Supplies	-	6,936,832
Translator	4,800,000	-
Land Survey / Scaping	-	8,020,000
Sundry Expenses	29,172,401	24,162,985

CEREALS AND OTHER PRODUCE BOARD OF TANZANIA (CPB)

Travelling on Duty Foreign / Perdiems	299,189,550	-
First Aid Kit	-	1,370,000
Document Preparation	41,500,000	23,280,000
Travelling on Duty Domestic / perdiems	772,291,217	550,641,322
Business Plan	-	7,729,000
Land Rent	-	10,964,600
Postage Charges	-	359,850
Meeting Facilitation Expenses	-	62,227,000
Air Ticket	168,775,866	45,430,600
Water Bills 25%	4,830,233	4,218,514
Uniforms	9,278,000	14,875,000
Asset Valuation	24,797,000	-
Survey and Measurement	940,000	-
Social Responsibilities	105,518,100	27,608,230
Subscription Fee	-	7,470,000
Motorvehicle Insurance	-	23,432,060
Tender Board Expenses	14,650,000	14,375,000
Preparation of Working Documents	-	23,280,000
Conference Facilities	-	5,450,966
Land Rent	-	964,600
Office Consumables	148,665,733	7,029,188
Consultancy	-	98,347,000
Security Expenses	101,937,960	56,569,000
Budget Preparation and Presentation	44,150,000	11,140,000
Insurance	78,177,620	-
Inspection Fee	7,100,875	24,883,700
Board of Directors Meetings Secretariat Expenses	-	50,715,002
Outfit Allowance	1,000,000	-
Ground Travelling	26,123,165	11,908,000
Kilwa Cassava Project	10,413,000	20,491,000
Communication Expenses	7,710,378	9,975,000
	3,042,369,178	1,932,400,535
12 FINANCE COST		
	2021/22	2020/21
	TZS	TZS
Bank Charges	2,522,034	4,210,358
Other finance costs	-	-
	2,522,034	4,210,358

CEREALS AND OTHER PRODUCE BOARD OF TANZANIA (CPB)

13 SELLING MARKET AND DISTRIBUTION COST

	2021/22	2020/21
	TZS	TZS
	167,046,051	
Advertisement expenses		
Distribution, sales and marketing	156,668,898	
National and International Trade Exhibitions	53,662,540	
Hire of Transportation	1,118,194,049	
Certificate Fee	16,873,000	
Transportation of Maize Flour	-	
CPB Foreign POS Expenses	878,088,536	
WFP Order Cost	112,365,000	
Service Levy	3,864,000	
Diesel	144,829,310	
	2,651,591,384	

15 BANK BALANCE

	2021/22	2020/21
	TZS	TZS
Bank Balance - Cereals and Other Produce NMB 20101000087	184,520,031	269,845,967
Bank balance - BOT Dar es salaam collection BOT 9925260721	6,495,659,976	6,384,922,549
Bank Balance - Katavi Expenditure Account NMB 61910036316	106,298,862	382,321,843
Bank Balance - Dodoma Expenditure Account NMB 50510023697	237,655,495	234,527,914
Bank balance-CPB Dar es salaam collection NMB 50510052344	195,974,123	2,686,637,666
Bank balance-GePG HQ Collection CRDB 0150478092400	29,509,400	887,523,872
Bank balance -Arusha Expenditure Account NMB 42710025426	58,348,648	635,385,628
Bank balance- Mwanza - Expenditure Account NMB 31110026605	42,595,905	23,617,487
Bank balance -Milling project account Azania Bank 002000025256	2,698,162	372,757,574
Bank balance -CPB Dar Expenditure account NMB 20310046138	520,903,707	684,226,500
Bank balance - CPB Special Account NMB 50510045160	375,235,867	576,808,300
Bank balance - GePG account NMB Bank PLC NMB 20110025111	1,348,498,250	275,910,338
Bank balance-Iringa Expenditure account NMB 60510017434	146,703,452	481,935,653
Bank Balance - Redemption CRD TZS CRDB 0150601209300	2,741,153,363	-
	12,485,755,242	13,896,421,290

16 CLOSING STOCK

	TZS	TZS
Rice	505,902,567	64,488,630
Maize	1,526,259,157	2,139,210,884
Maize flour	546,209,493	23,232,291
Sunflower Seed	871,220,000	117,410,800
Beans	356,999,240	144,145,380
Sunflower Oil	216,397,009	225,118,780
White Sorghum	1,585,802,790	-
Sunflower Cake	37,899,000	32,715,000
Maize Bran	69,610,055	326,161,638
Rice Paddy	535,594,665	287,439,750
Cashewnuts	1,547,438,430	-
Other Items POS	7,703,750	-
Wheat Flour	236,440,534	-
Crude Oil	31,535,850	-
Sunflower Oil Inputs	16,807,500	-
Packaging	60,576,255	-
Wheat Grain	181,179,200	-
Ground nuts	2,376,000	-
Soya Beans	420,822,500	-
Dagaa Mchele (Anchovies)	488,347,600	-
Paddy Bran	990,000	-
Brian Rice	4,560,000	-
Broken Rice	6,900,000	-
Maize Grits	6,109,440	-
*** Current Year Adjustment - (Overstated inventory)	(4,846,288,977)	-
	<u>4,417,392,058</u>	<u>3,359,923,153</u>

**** Current Year Adjustment - 2(Overstated inventory figure)**

While performing the stock valuation of all inventories counted during the year under audit (ended 30th June 2022), the Management overlooked the cut-off assertion and counted the stock of maize that was already sold to customers but NOT removed from CPB's Godown located at the Head Office and other inventories that were received after cut-off date was mistakenly counted. All these together were totalling to TZS 4,846,288,977

17 TRADE AND OTHER RECEIVABLE

	2021/22	2020/21
Debtors Dodoma	1,533,578,220	14,400,000.00
Debtors Arusha	334,542,880	-
Debtors Dar Es Salaam	63,023,000	-
Debtors Mwanza	49,184,300	-
Debtors Iringa	80,382,900	80,382,900.00
	<u>2,060,711,300</u>	<u>94,782,900</u>

CEREALS AND OTHER PRODUCE BOARD OF TANZANIA (CPB)

The increase on Accounts receivable balances balance is mainly caused by the fact that in Dar esa Salaam Brach, Arusha branch and Mwanza branch in current year reported debtors contract to prior year. Also Dodoma branch during the current year, reported a significant balance of TZS 1.5bn compared to prior year in which the reported balance was only of TZS 14.4mn of debtors.

18 TRADE AND OTHER PAYABLE

	2021/22	2020/21
	TZS	TZS
Trade Payables	-	856,926,692
		353,828,382
Ugur Makine	-	
CPB HQ	427,657,049	2,512,880
Iringa - Electricity Bill	13,912,035	
Dar Esalaam	4,000,000	-
Mwanza	399,574,373	-
Arusha	128,770,086	-
Dodoma	277,406,751	-
	1,251,320,294	1,213,267,954

19 LONG TERM LIABILITIES

	2021/22	2020/21
	TZS	TZS
NSSF Loan	4,422,229,335	3,668,268,829
Increased Amount From Loan Restructuring	-	1,288,194,596
	4,422,229,335	4,956,463,425

Purpose of this loan is to improve operation of the entiy such production capacity of the cereal and other produce

20 ACCRUED INTEREST ON NSSF LOAN

	2021/22	2020/21
	TZS	TZS
Acrued Interest	164,499,175	269,807,606
	164,499,175	269,807,606

21 PLANT AND MACHINERY KIZOTA (WIP)

	2021/22	2020/21
	TZS	TZS
Opening WIP	2,184,876,040	5,334,956,536
Less Part of WIP Capitalized to PPE	-	(5,334,956,536)
WIP Mwanza Rice Paddy Project	1,745,920,009	2,184,876,040
Closing-WIP	3,930,796,049	2,184,876,040

22 CAPITAL FUND

	2021/22	2020/21
	TZS	TZS
Opening Balance	5,697,082,200	5,697,082,200
Additional Capita Government Subvention - Devo	5,000,000,000	-
	10,697,082,200	5,697,082,200

23. RELATED PARTY TRANSACTIONS

During the year under review, there were no related party transactions other than mentioned in the report.

24. COMMITMENT AND CONTINGENCIES

As at financial year end, the Board had no commitments or contingent liabilities to report.

25. EMPLOYEES:

The number of employees at the end of the financial year 2021/22 was 62 permanent employees and 88 contract Staff.

26. COMPERATIVE FIGURES

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

27. EVENTS AFTER THE REPORTING DATE

There were no events after the reporting date, 30 June 2022, which requires adjustment or disclosure in the financial statements.