



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



**TANZANIA COFFEE BOARD
(TCB)**

**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,
4 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

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About the National Audit Office

Mandate

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



Independence and objectivity

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

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

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

Integrity

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

Creativity and Innovation

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

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ABBREVIATIONS

AR	Audit Report
AIDS	Acquired Immune Deficiency
CAG	Controller and Auditor General
CMA	Conciliation Mediation and Arbitration
CPA (T)	Certified Public Accountant - Tanzania
CRU	Coffee Roasting Unit
DCDO	Director of Coffee Development and Operation
DCQP	Director of Coffee Quality and Promotion
DFA	Director of Finance and Administration
DG	Director General
EAFCFA	East African Fine Coffee Association
FIFO	First in First out
HIV	Human Immunodeficiency Virus
IACO	Inter African Coffee Organization
ICO	International Coffee Organization
IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing
ISSAI	International Standards of Supreme Audit Institutions
NBAA	National Board of Accountants and Auditors
NHIF	National Health Insurance Fund
NSSF	National Social Security Fund
OC	Other Charges
PAA	Public Audit Act
PE	Personal Emoluments
PMU	Procurement Management Unit
PPA	Public Procurement Act
PPE	Property, Plant and Equipment
PPR	Public Procurement Regulations
PSSSF	Public Service Social Security Fund
Sect	Section
TaCRI	Tanzania Coffee Research Institute
TCB	Tanzania Coffee Board
TR	Treasury Registrar
TRO	Treasury Registrar Office
TZS	Tanzania Shillings
BoD	Board of Directors

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,
Tanzania Coffee Board,
P.O. Box 732
Kilimanjaro,
Tanzania

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Coffee Board, which comprise the statement of financial position as at 30 June 2024, the statement of financial performance, the 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 Tanzania Coffee Board as at 30 June 2024, 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 Tanzania Coffee 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 of Those Charged with Governance, statement of directors' responsibilities 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, Cap. 410 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2 REPORT ON COMPLIANCE WITH LEGISLATION

1.2.1 Compliance with the Public Procurement Laws

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

I performed a compliance audit on the procurement of works, goods, and services in the TCB 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 Tanzania Coffee 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 the TCB 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, budget formulation and execution of Tanzania Coffee 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 REPORT OF THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2024

2.1 INTRODUCTION

Those Charged with Governance at the Tanzania Coffee Board (TCB) present this report together with the financial statements for the year ended 30 June 2024, which provides the results of TCB operations and its state of affairs. Those Charged with Governance prepared this report in compliance with TFRS 1 - The report by those charged with governance issued by NBAA became effective on 1 January 2021, and it has also been prepared in compliance with International Public Sector Accounting Standards (IPSAS).

The report is addressed to primary users and other stakeholders by setting out analysis of the Board's operations and financial review, with a forward-looking orientation in order to assist primary users and other stakeholders to assess the strategies adopted by the Board and the potential for those strategies to succeed toward creating value over the short-term, medium-term and long-term periods.

2.2 THE BOARD CULTURE

TCB's culture consists of the shared vision, mission, core values and TCB motto as provided hereunder;

2.3 Vision

To become a leading regulatory agency in the provision of services to the coffee sector in Tanzania and Africa.

2.4 Mission

To facilitate an enabling business environment for a sustainable coffee sector

2.5 Core Values

TCB core values represent moral boundaries within which the Board operates. They define personality and are ethical standards by which the Board's employees would be measured. The values are TCB commitment to its stakeholders.

Therefore, in day-to-day operations, the Board's employees are guided by the following core values: -

- i) **Integrity:** We are trustworthy and fair in our deeds, adhering to professional and moral principles to ensure desired outcomes for the coffee industry.
- ii) **Efficiency:** We are dedicated towards effective allocation and utilization of available resources for implementation of organizational vision and mission.
- iii) **Transparency:** We have no hidden agenda; we guarantee the availability of adequate

information for effective collaboration and cooperation for informed decision making.

- iv) **Teamwork:** We seek to understand how we can best support each other and make choices that put the team before the individual.
- v) **Accountability:** We are answerable for our actions and indebted for great outcomes.

2.6 The Motto

A farmer as a key stakeholder has to be handled in a way that will make him/her increase coffee production. Therefore, TCB considered a farmer as a special role that has to be satisfied first so that the country won't fall short of coffee production. So, this brings every TCB employee to a common ground where we are ensuring that we have a happy coffee farmer', which is our motto.

2.7 NATURE OF OPERATIONS

The Tanzania Coffee Board is a corporate body established under section 3(1) of the Coffee Industry Act (the "Act") No. 23 of 2001, with the main function of regulating the coffee industry in Tanzania and advise the Government of the United Republic of Tanzania on all matters related to the growing, processing and marketing of coffee within and outside the country. Along with the Act, the Board conducts operations under Coffee Regulations of 2003 and the Crops (Miscellaneous Amendments) Act of 2009 revised in 2013.

TCB is governed by the Board of Directors established under Sect. 3 of Tanzania Coffee Industry, 2001 (revised in 2009). The BoD is responsible for overseeing the management and affairs of the Board. TCB Head Office is in Moshi, Kilimanjaro and it has two (2) Branches in Dar Es Salaam and Tanga which oversees coffee exportation. And it also has five (5) Zonal offices in Mbeya, Ruvuma, Kagera, Mara and Kigoma which oversees coffee development and operations to all 17 coffee growing regions.

Furthermore, these 17 coffees growing regions are as follows: Arusha, Kilimanjaro, Manyara, Tanga, Morogoro, Mbeya, Songwe, Ruvuma, Iringa, Kagera, Katavi, Kigoma, Mwanza, Mara, Njombe, Rukwa and Geita.

The Board of Directors assumes ultimate responsibility for risk management and internal control systems of the Board. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding the effectiveness and efficiency of operations, safeguarding of the Board's assets, compliance with applicable laws and regulations, reliability of accounting records, business sustainability under normal as well as adverse conditions, and responsible behaviors towards all stakeholders. There is always a risk of non-compliance by staff. Whilst no system of internal control can provide absolute assurance against misstatement or errors, or fraudulent actions, the Board's System is designed to provide management and those charged with governance with reasonable assurance that the procedures in place are

operating effectively. The Board assessed the internal control systems throughout the financial year ended 30 June 2024 and is satisfied that they meet accepted criteria. The Board carries out risk and internal control assessments through its Audit Committee.

2.8 OBJECTIVE AND STRATEGIES

2.8.1 Objective of the Board

The objective of the Board in carrying out its functions and exercising its powers as provided in the establishing Act is to regulate the coffee industry in Tanzania by:

Functions

- a) Advising the Government on the policies and strategies for the development of the coffee industry;
- b) Regulating and controlling the quality of coffee and coffee by-products;
- c) Collect, refine, maintain, use, or disseminate information or data relating to the coffee industry;
- d) Monitor the production, exportation, and importation of coffee;
- e) Make regulations for processing, exportation and storage of coffee and coffee by-products;
- f) Facilitate or assist in the formation of associations or other bodies related to or dealing with the coffee industry;
- g) Promote and protect the interests of farmers against syndicates of buyers which may be formed through associations; and
- h) Represent the industry in local and international forums on matters relating to the coffee industry.

Powers

- a) Grant licenses or permits for coffee export;
- b) Register various coffee dealers;
- c) Appoint inspectors for the inspection of coffee farms, coffee processing plants, coffee warehouses and any other facilities that may be inspected for the better carrying out any of the provisions;
- d) Undertake coffee auctions;
- e) Arbitrate among farmers, traders, processors, brewers, warehousemen and others;
- f) Acquire, borrow, or lend money for coffee development to enhance coffee quality and production; and
- g) Do anything which, in the opinion of the Board, is calculated to facilitate and enhance the proper exercise of the functions of the Board under this Act.

2.9 Strategies for Achieving Objective

The Board was in its third year of implementation of its current Strategic Plan (2020/21-2024/25) when executing the Work Plan and Budget for the financial year 2023/24. The

Strategic Plan is the leading instrument for planning, priority setting and decision-making. It facilitates the discharging of the role and functions of the Board for the period of Five (5) years, from the financial year 2020/21 to 2024/25. Specifically, the Plan places emphasis on strategies to be executed to achieve the strategic objectives.

The Strategic Plan has the following Eleven (11) strategic objectives which are: -

- i. Improve Financial Sustainability
- ii. Increase Revenue
- iii. Increase customer base
- iv. Improve Organizational Image
- v. Strengthen Partnership
- vi. Improve Coffee Quality
- vii. Increase Efficiency
- viii. Enhance Business Environment
- ix. Improve staff capacity
- x. Upgrade infrastructures
- xi. Strengthening governance

2.10 Managing Operations of the Board

The overall management of the Board is conferred to the Board of Directors which is required to ensure adherence to the governing laws and procedures. The BoD delegates the day-to-day management of the Board to the Director General, who is assisted by senior management. Senior Management is being invited to attend Board meetings and facilitate effective control of all operational activities, acting as a medium of communication and coordination between various operational areas.

In managing the external environment of the Board, the BoD/Ministry has established the system where Management engages key stakeholders by holding conferences with them and receive their comments and views on the Board's performance and other issues relevant for effective regulation coffee sector.

2.11 STATEMENT OF SERVICE PERFORMANCE INFORMATION

The Board's Service Performance Information discloses information needed for accountability and decision-making purposes, primarily to help users of the report by Those Charged with Governance to understand what the Board had set out to achieve (target) and what it has achieved (results). The service performance information is generally a mix of qualitative and quantitative reporting. The reporting of service performance information is based on two elements:

- (i) **Outcomes:** what the Board seeks to achieve in terms of its impact on society; and
- (ii) **Outputs:** the goods or services that the Board delivers during the financial year.

The Board reporting of service performance information is provided in this report under the Key Performance Indicators section.

2.12 TCB OPERATING MODEL

The Board's operating model is the system of transforming inputs, through its operating activities, into outputs and outcomes that aim to fulfil TCB's strategic purposes and create value over the short-, medium and long-term plan. Thus, the TCB Operating Model is explained below: -

Inputs

(a) Human Capital

The Board has employed staff with adequate skills and competence to ensure delivery of quality services. Employees are well motivated and perform their duties responsibly and in ethical manner.

(b) Financial Capital

Financial capital is composed of financial resources obtained from coffee auction activities. The Board as a coffee industry regulator collects fees from its coffee exporters, commission from curing companies, clearing and forwarding activities, regulatory activities, warehousing activities as well as rental revenue.

(c) Social and Relationship Capital

In executing its functions, TCB has established an ethical and transparent relationship with government institutions, farmers, customers, suppliers, policy makers and the society at large. The Board conduct stakeholders' meetings to provided awareness and receive feedback on various corporate issues. TCB engaged actively on Corporate Social Responsibilities.

(d) Intellectual Capital

The Board is using an auction system to conduct is coffee auction in Moshi, Mbinga, Songwe and Kagera and this ensures effective and efficient services delivery to its coffee exporters and other stakeholders.

(e) Natural Capital

The Board has been actively engaged in making sure that its surrounded environment is well kept by planting coffee trees and flowers to increase an oxygen along the offices.

2.13 Operating Activities

The Board implements a number of activities in converting inputs into quality service delivery.

The operating activities are divided into;

(a) Coffee Sales

- Conducting digital Auctions;
- Facilitating and registering contracts for coffee Direct Export;
- Education provision regarding coffee quality, processing and marketing;
- Licensing coffee exporters, warehouses and coffee liquors;
- Inspection of coffee warehouses, curing factories and local roasters.

(b) Coffee Exportation

- Issuing of ICO for coffee exportation;
- Clearing and forwarding for coffee exporters;
- Document control for imports and exports; and
- Coffee storage at affordable price.

2.14 Outputs

a) Coffee Sales

In its regulatory role, the Board had the following outputs:

- 28 coffee auctions have been conducted for the year under review;
- 1,568 registered contracts have been issued;
- 256 number of licensed exporters were issued (Green and Direct exporters);
- Pre and post auction inspection have been conducted;
- Warehouses and curing factories inspection have also been conducted.

2.15 Outcomes

The following were noted outcomes:

- Increased exported coffee value;
- Increased farmers and coffee exporters satisfaction;
- Increased competition;
- Decrease in number of complaints;

2.16 CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

The Board's current and future development and performance are explained below:

2.16.1 Corporate Strategic Plan

The Board registered achieved milestones of its First 2-Year Corporate Strategic Plan (2020/21-

2021/22) as at 30 June 2024. Among the registered milestones are increase in coffee seedlings to coffee farmers, being able to finalize phase 2 of Njedengwa building project in Dodoma as well as having a happy coffee farmer for facilitating the best price for their coffee in the market.

2.16.2 Development Plans and Performance

The Board has investment property in Capital City (Dodoma). The aim was focused on improving productivity and enhancing efficiency in delivery of services to our stakeholders and to contribute in developing the national capital city by investing in it.

2.17 Functional and presentation currency

The Board has chosen Tanzania Shilling (TZS) to measure all items in the financial statements reflecting the fact that it is the currency of primary economic environment in which the Board operates (“the functional currency”). The financial statements are presented in Tanzania Shillings (TZS) which is the Board’s functional and presentation currency, and all values are rounded to the nearest thousands (TZS’000).

2.18 Significant Aspects of the Statement of Financial Performance

(a) Revenue

The Board’s recognized revenue during the year ended 30 June 2024 of TZS 10.47 billion compared to TZS 9.29 billion recognized in the year ended 30 June 2023, this is 12.70% increase in the total revenue. The increase was attributed to:

- (i) Increase in coffee price, specifically on direct export which always get higher price than the auction price; and
- (ii) Increase in coffee quality due to capacity building trainings that took place during the year.

(b) Expenses

The Board’s expenses for the financial year ended 30 June 2024 amounted to TZS 9.93 Billion. This has increased by 7.01% from the expenses incurred during the year ended 30 June 2023 which reported TZS 9.45 billion.

2.19 Significant Aspects of Statement of Financial Position

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand, balances with Banks and investment in money market instruments. Cash equivalents are normally held for the purpose of meeting short term cash commitments rather than for investment or other purposes. An investment is recognized as cash equivalent when it has short term maturity period (three or less than three months from

the date of acquisition) and can be readily convertible into known amount of cash and be subject to insignificant risks of changes in value. Cash and cash equivalent included in the Cash flow statement comprises of cash in hand and balances with banks and they are stated in the Statement of Financial Position at face value. The Board's cash and cash equivalents as at 30 June 2024 was TZS 17.2 billion (30 June 2023: TZS 8.19 billion) which is the increase of 110.5%. This increase was attributed to coffee farmers fund from new auction in Kagera region and other on-going commitments which crossed the year.

(b) Inventories

The inventories of the Board are composed of stationaries, raw materials and packing materials. Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its value at the date of acquisition. Subsequently, Inventory is measured at the lower of cost and net realizable value. Net realizable value refers to the net amount the Board expects to realize from the sale of inventory in the ordinary course of operations. Cost includes purchase price, costs of conversation and costs incurred in bringing the inventories in the current position and location. Inventories re recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Board. The Board's Inventory as at 30 June 2024 was TZS 213.06 million (30 June 2023: TZS 75.98 million) which is the increase of 180.4%. This increase was attributed due to purchase of coffee-by-Coffee Roasting Unit (CRU) at the end of financial year.

(c) Trade Receivables

Receivables refers to money owed to an institution for goods or services that it has delivered but not been paid for yet. Receivables are amounts due from tenants for leased premises or customers for services performed or goods supplied to them in the ordinary course of business. If collection is expected in one year or less (or in the normal operating capacity cycle of the business), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables that are initially recognized, are measured at fair value which is the transaction price or original invoice price (consideration to be received). Considering that they are expected to be recovered within twelve months, they are not stated at interest rate and the effect of discounting them is immaterial, the trade and other receivables are subsequently measured at the transaction price. The Board's account receivables as at 30 June 2024 was TZS 10.43 Billion (30 June 2023: TZS 7.33 Billion). The increase was due to coffee fund received from Kagera auction customers whereby the dry cherry season cross cut the financial year and other on-going commitments which crossed the year.

(d) Payables and Accrued Expenses

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables and accrued expenses are classified

as current liabilities if payment is due within one year or less, and if not, they are presented as non-current liabilities. Payables and accrued expenses are recognized initially at fair value which is the transaction price and subsequently measured at transaction price which is the invoice price because they are due with short period of time (“less than a year”) and do not carry any interest rate. In the year ended 30 June 2024 the Board reported payables worth TZS 23.67 billion. The amount has increased by 96.92% from the payables reported as at 30 June 2023 (TZS 12.02 billion). And the increase was due to coffee development fund received from Kagera auction customers.

2.20 Implementation of QMS based on ISO 9001

The ICT policy of the Board observes this ICT standard, and it is customized to meet eGA ICT strategy regulations. All Board’s ICT equipment observe these standards. QMS is aimed at improving the Board’s service delivery through competent and motivated employees while focusing on value-added customer services. The target is to get the entity becoming ISO 9001:2015 Certified in the near future.

2.21 Description of Budget Information

The Board’s final revenue budget for the financial year ended 30 June 2024 was 9.30 Billion (30 June 2023: TZS 8.83 Billion) and the recognized actual revenues for the year was TZS 9.22 billion (30 June 2023: TZS 9.76 Billion). The Board performed under what it intended to collect due to decrease in coffee production.

The final expenditure budget of the Board for the financial year ended 30 June 2024 was TZS 9.30 Billion (30 June 2023: TZS 8.83 billion) and the actual expenditure was TZS 9.05 Billion (30 June 2023: 8.5 billion), which was above the last year actual expenditure by 6.08% and this was due to increase in administrative expenses (Administration and Coffee Farmers Nurseries together with operation of zonal auctions).

2.22 Analysis of Board’s External Environment

Every entity, including the Board, is affected by its external environment. Thus, analysis of the external environment matters because it might affect the Board’s operations as summarized below:

(a) Political Environment

Coffee is one of the National Strategic Crops grown in 71 constituencies of the 17 regions. Is the cash crop with largest number of Members of Parliament (MPs). This fact offers an opportunity for TCB to drive the coffee development agendas to solicit the support and influence of MPs. MPs are crucial in creating a favourable business environment through formulation of stable and predictable policies. In this regard, TCB needs to keep the MPs well informed on key issues that affect the coffee industry for proper formulation of policies and interventions.

(b) Social culture environment

Tanzania coffee farmers operate in about 500 co-operatives, which offer the following services to their members: Collecting their produce and selling them collectively, ensuring access to affordable inputs and extension services while increasing their market bargaining power. Traditionally, small-scale farmers in Tanzania grow coffee by intercropping as a means for income diversification and food security. Family members constitute the workforce on the farms where women and children are mostly subjected to the hard-labour activities including primary processing. This tendency also discourages youth involvement in coffee cultivation. TCB in collaboration with stakeholders will continue to advocate for gender equality, discouraging child labour and encouraging youth involvement along the coffee value chain. Customary, coffee is one the favourite drinks in coastal areas where it is often sold by street vendors in selling points popularly known as “*vijiwe vya ghahawa*”. Moreover, coffee is at times offered as part of dowry. On Tanzania Mainland, areas such as Kagera region treat coffee as a precious crop with important guests welcomed to chew boiled and dried coffee beans known as “mwani”. Despite this custom, the coffee consumption rate remains low compared to the coastal areas due to negative perception of its effects on human health. As such, the formulation and implementation of a coffee promotion strategy would be a crucial key to unlocking the potential in a bid to increase domestic coffee consumption.

(c) Technological Environment

Tanzania’s coffee sector benefits from the Coffee Research Institution (TaCRI), which is dedicated to coffee research. TaCRI helps the sector to develop technologies that are cost effective in a bid to maximize productivity. Currently, TaCRI has developed 19 Arabica and 4 Robusta varieties that are highly productive and resistant to common diseases and drought. Management costs for these varieties a real most 40% lower than those for the traditional coffee varieties. TaCRI and other extension service providers in conjunction with TCB are encouraging farmers to adopt these new varieties as part of concerted efforts aimed to rehabilitate and renovate their farms. In line with this thrust, TCB will establish an input credit system to facilitate the timely availability of affordable farm inputs.

(d) Legislative Environment

The Coffee Industry Act of 2001 as amended by the Crop Laws (Miscellaneous Amendments) Act of 2009 and the Coffee Industry Regulations of 2013 mandate TCB to regulate and co-ordinate the coffee industry regarding all matters relating to the coffee agro sub-sector in Tanzania. Despite the powers and mandate vested in TCB, the sector still faces policy and legal challenges that affect the coffee business environment. These challenges include the Land Tenure System that threatens investments in coffee estates due to its time limitation in land title-deeds. Furthermore, this system does not protect areas under agricultural activities, hence a decrease in coffee acreage following the inhabitation of land used for coffee cultivation. This phenomenon is highly marked in Kilimanjaro, Mbeya, and Arusha regions.

The coffee industry also faces more challenges in implementing shared functions due to lack of

a legal framework that binds stakeholders to implement agreed upon activities. Such challenges include reinvesting portion of the produce Cess collected by Local Government Authorities into coffee development activities. TCB in co-ordination with MDAs and other stakeholders will be advocating for the formulation of friendly legal and policy frameworks for coffee sector sustainability.

(e) Environmental Effects

Climate Change has negatively impacted on coffee production, especially among smallholder farmers who contribute about 90% of the total coffee production. This impact has stemmed from the variability and unpredictable rainfall patterns associated within creased temperatures, which have forced farmers to diversify to other crops and activities, hence a declining trend in coffee production especially in the Northern regions. The industry has also emphasized on maintaining environmental sustainability by encouraging farmers to embrace good agricultural practices, adopt water and soil conservation practices and engages in certification schemes.

Providing support and encouragement to farmers to participate in schemes for sustainable coffee production would be beneficial to the Tanzania's coffee sector. In the long-term, concerted efforts should be directed towards ensuring the preservation of the environment together with socio-economic and gender equity. Moreover, such exertions constitute an economic opportunity for seeking price premiums on the international markets.

2.23 RESOURCES

The Board's key strengths which assist in the performance of its functions to achieve its objectives are pegged on a well-composed Board of Directors, effective Management, competent human resources, deployed ICT systems and documented internal operating procedures. These strengths continuously create value to the entity. The Board has tangibles and intangibles resources, which include intellectual resources, human resources, social and relationship resources, natural resources, financial resources and other resources. These are explained below: -

(a) Intellectual Resources

The Board intellectual resources include ICT application systems whereby some of the systems are still on the process of being automated and modernized so as to improve internal operations and providing services to our stakeholders. The Board's ICT systems in operations include the following: -

- Sage Evolution System;
- Auction Systems;
- E-Revenue Collection System (GePG system and POS Machines);
- Time Attendance (Biometric) System.

In general, implementation of ICT application systems improves the Board's service delivery process and enhances efficiency. The Board shall continue to push the initiatives to automate business operations to enhance efficiency and reduce costs of business operations and unnecessary human errors and report delays. Factors that may affect availability, quality and affordability of intellectual resources can include fast technological changes, Government legislative changes, systems hackers when access controls and firewalls are weak, and unexpected power outage, however, the Board is organized to cope with the future changes and expects intellectual resources will continuously be available to meet future demand.

(b) Social and Relationship Resources

The Board social and relationship resources is composed with ethical and transparent relationship with its customers, suppliers, regulatory bodies, Government and the entire public who are external stakeholders by establishing a harmonious relationship. The Board creates shared value relating to social development such as education on the advantages of drinking our local coffee, health and safety facilities to make our customers comfortable working with us in the areas of operations as well as engaging fully in national and international exhibition.

During the year under review, stakeholders had a conference called National Coffee Stakeholders Conference (NCC) held in Dodoma, whereby stakeholders met and discussed things concerning the growth of coffee sector in general and therefore people are having the better business relationship which is essential for the Board's development. Also, the Board had conferences and exhibitions in some few countries like Dubai, Saudi Arabia, Kenya and Uganda.

Factors that may affect availability, quality and affordability of social and relationship resources include Board's failure to participate and contribute to local and international communities, not to pay contributions and subscriptions to respective organs which we are the members or the direct participants, and low level of transparency and engagement with stakeholders. Despite these, the Board maintains its commitments and initiatives on social and relationship resources to continuously meeting existing and future demand.

(c) Natural Resources

The Board's major natural resource is water with the view of environmental protection. Various initiatives have been taken by the Board to promote environment sustainability through internal engagements like planting coffee trees around our office and external engagement like learning how best the Board can convince the community to at least have one coffee seedling to conserve the environment with coffee trees.

Also, the Board proclaims on proper utilization of water being a key natural resource in sustaining human life. Strict control on misuse of water, both from water taps and natural sources, is highly emphasized since the headquarters of the Board is found in Moshi, Kilimanjaro where we have the Mount Kilimanjaro with us, we are getting the straight clean water from the mountain which is safe for the health of employees and community as whole.

Factors that may affect availability, quality and affordability of natural resources include natural calamities, draught, human sabotage, laxity in compliance with legislation and minimum commitments from leaders. However, the Board values natural resources and will continuously take necessary measures to ensure there is adequate protection and availability of such resources to meet the Board's future demand.

(d) Financial Resources

The Board enhances its financial sufficiency by improving management of its resources through prioritization of initiatives, implementing initiatives within the available financial resources to generate adequate revenue for timely implementation of planned activities.

The Board's Sources of funds is derived from the mandate it has been given through Sect 26(1) of The Coffee Industry Act 2001 which consists of:

- Moneys appropriated by the Parliament;
- Monies raised by way of loans, donations and grants made within and outside the United Republic of Tanzania;
- Monies raised by way cess or levy under the provision of the Act;
- Any subsidy granted to the Board by the Government or any other person;
- Such sums of money or property which may become payable to or vested in the Board under the Act established TCB or any other written laws or in respect of any other matter incidental to the carrying out of its functions.

Factors that may affect availability of financial resources include natural economic recession which lead to low level of international business such as coffee, reduced scope of the Board's exclusive mandate, ineffective debt collection strategies, and dishonest of the Government funds. Nevertheless, the Board is taking administrative and legislative measures to ensure financial resources are available to finance existing and future programs of the Board.

(e) Other Resources

In the discharge of its functions, the Board is guided by the Coffee Industry Act (the "Act") No. 23 of 2001, and their respective Regulations, staff regulations, financial regulations, Standing Orders for the Public Service, the Crops (Miscellaneous Amendments) Act of 2009 revised in 2013. These instruments were key in discharging its functions judiciously and fairly during the financial year under review.

Factors that may affect availability of other resources mentioned above may include length of process to come with the relevant legislation for implementation, amendment by the Parliament of the legislation applicable to the Board, and amendment or issuance of new Regulations by the Minister responsible for agriculture. However, the Board collaborates with the key stakeholders, including the Ministry of Agriculture, to ensure availability and timely amendments, where necessary of legislation for implementation to address the current and future needs of the Coffee Sector.

2.24 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

2.24.1 Principal Risks and Uncertainties

The Board's principal risks and uncertainties with their impacts and mitigation are summarized under Table 1 below:

The Board Risks, Impacts and Mitigation

S/N	Risks and their Impacts		Risks Mitigation
1	Data and information management	The Board's core business operations are automated, and the business data and information must be properly managed in ICT systems. The fact that ICT systems are changed periodically in line with technology advancement, the threat of cyber-attacks is becoming more sophisticated and greater numbers of third-parties seek to access our business data and remove it from the safety of our systems and firewalls. Failure to improve infrastructures will hinder TCB ability to efficiently offer services to its customers. If the Board fails to ensure that its information is kept safe and used by intended stakeholders and specific users only, it may significantly impact relationships with these stakeholders and the general public.	• We have, and continue to invest significantly in our data, analytics and cyber-security capabilities to meet better evolving customers and suppliers' needs and expectations, as well as employees and to reduce the potential for data breaches. • We actively engage with eGA to ensure that there is appropriate governance in place and those changes in eGA guidelines appropriately balance the value of giving customers control of their data, with our duty to protect customer privacy and security. • Allocate enough funds for Upgrading Infrastructure. • Our ICT staffs undergo mandatory training modules to ensure that they are reminded of the importance of data security and their obligations in relation to the data they access. Also, some few ICT interns have been taken to assist the ICT unit. • Developing ICT Policy.
2	Reputation	Our reputation is so important to us and is directly related to how we conduct our coffee business decisions and communicate with the Government and other public institutions, customers, regulated service providers and the	• We actively focus on improving the transparency of our business decisions and engage with our esteemed customers, suppliers, employees and the general public especially those around the area in which we operate so as to understand their concerns and balance their needs.

S/N	Risks and their Impacts		Risks Mitigation
		communities within our working environment. A negative shift in any of our stakeholder's perception may materially undermine our ability to advocate for positive outcomes that align to our vision, mission and core values, and our ability to drive long-term performance. This may also affect the cost and availability of financial resources necessary for the implementation of the Board's annual plans and budgets.	• We have embedded our Board's culture which communicates what we expect of our employees in applying our vision, mission and core values as a guide for the Board's business management and decision-making as it is stipulated on the Strategic Plan • We continue to drive deeper engagement with the Government, customers and other stakeholders in coffee sector to ensure we deliver better and consistently fair outcomes and remediate issues when we are made aware of them.
3	Quality Service Delivery	Meeting customer needs and their expectations with innovative solutions and superior experiences is critical to maintaining high-quality relationships with our regulated service providers, customers, suppliers and other stakeholders. The fact that regulated service providers, customers and other stakeholders' expectations continue to evolve, the Board strives in engaging to emerging technologies to improve effectiveness and efficiency in service delivery regarding regulating coffee industry. Any failure to recognize and adapt to changing competitive forces in the maritime sector in a timely manner could erode our revenue potential and service delivery improvements over a long term.	• We actively monitor changes in regulated services, customers and stakeholders' preferences, products, technologies, methods of service delivery and continuously improve customer experiences with our products and services. • We invest in our employees and building capacity on key areas of technology capability that are critical to our value proposition to regulated service providers, customers, farmers and other stakeholders, including training on cyber-security, digital channels, business intelligence, data and analytics. • We invest in employees' productivity to optimize our cost and providing the best services to our customers and suppliers.

S/N	Risks and their Impacts		Risks Mitigation
4	Employee Capability	Our employees are critical to the success of our strategy and ensuring we are able to continuously find better ways to operate and meet regulated service providers, customers, farmers and other stakeholders' needs and expectations. A shortage of key skills, a failure to help our people continuously update their capabilities, the emergence of new technologies and/or a fall in our attractiveness relative to other leading employers, could impact our ability to deliver on our strategies, vision and mission. Inability to employ, motivate and retain competent staff due to difficulties in acquiring employment permits, out-dated staff manuals and lack of incentive scheme	• Regular review of staff retention policy • We develop a sound Scheme of Service and team up with the Public Service Recruitment Secretariat on the recruitment of competent staff. • We focus on developing and retaining our employee, including management staff, through targeted training programs and skills upgrading. • Develop and Review Staff Manuals (Staff Regulation, Incentive Scheme and Scheme of Service) • We are assessing how new technologies will impact the future workforce for our businesses. We are building these changes into our long-term people development and capability roadmaps.
5	Compliance with legislation	Compliance with legislation governing regulation of coffee sector and implementation of exclusive mandate in coffee business as well as tax legislation are critical to how we continue to run our business and interact with our regulated service providers, customers, tax authority and other stakeholders. The coffee sector and tax legislation are subject to changes because it is an international business. If we are unable to foresee, advocate for, plan for, and adapt to legislation change,	• We maintain constructive and proactive relationships with the Government, Parliamentary sectorial committees and the Parliament in general where we get opportunity to share our comments on legislation changes. • We engage consultants to support the Board on compliance with tax legislation and all other relevant coffee sector legislation. • Review Coffee Regulations • Increase stakeholders' engagement in decision making • Conduct leadership trainings for BoD and Management team

S/N	Risks and their Impacts		Risks Mitigation
		this could negatively impact the Board compliance with tax legislation. Unstable Policies and Regulations create unfavourable business environment for investors	
6	Social and Environmental impact	We actively consider the social and environmental impact of our activities and are committed to operating sustainably and making a positive contribution beyond our established objective and statutory functions as stipulated in establishing Act. We consider social and environment issues to be significant long-term drivers of both financial and non-financial value. We appreciate the potential impact they have on our relationships with our stakeholders.	• The Board's programs take a long-term view to ensure that we conduct business in a sustainable and efficient way, and appropriately use our influence to enhance social and environmental outcomes. • We are complying with the National Environment Management Council (NEMC) and Occupational Safety and Health and Authority (OSHA) in assessing our relationships with stakeholders as well as working environment conditions which is favourable to all community.
7	Business Continuity	Lack of integrity, inefficiency, transparency, and accountability will lead to loss of trust to stakeholders. The resilience and continuity of our operations is so much important in providing our farmers with the best price and the exporters with the best working environment. Events driven by our external environment, including cyber-attacks, political instability, unfavourable business conditions and global pandemics like COVID-19 can significantly disturb the Board to serve and protect our farmers and customers. Decline in coffee production because of climate change,	• Increase stakeholders' engagement. • Develop effective performance management system • We are investing in our technology, processes and employee capabilities to mitigate the impact of cyber-security risks on our businesses, regulated service providers, customers and other stakeholders. • We are reminding the Government on the importance of the farmers so that they will never get frustrated with the political wind that may affect their coffee production. • Promote use of improved technologies • Promote partnership

S/N	Risks and their Impacts		Risks Mitigation
		decrease in coffee acreage, emerging of other competitive crops as well as farmers' reluctance in technology adoption.	
8	Financial Management	The Board's activities are potentially exposed to a variety financial management risk including; (a) Financial Risk Unsustainable source of funds that can lead to inability in fulfilling organizational mandates. (b) Market Risk Coffee price volatility resulting from inconsistency in quality, few numbers of buyers and over dependence on overseas markets. Market risk is the risk of changes in market prices, such as foreign-exchange rates and interest rates, affecting the Board's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk (c) Credit Risk Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Board is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. (d) Liquidity Risk	• Broaden and strengthen the current own sources of funds and establish new sources of funds. • We prepare our annual plan and budget in line with the Government guidelines on the preparation of Medium-Term Expenditure Framework (MTEF) to address financial risk management. • We opened and operated bank accounts in both Tanzania Shillings and United States Dollar (USD) to mitigate market risks. • We do not regard any significant concentration of credit risk, hence, we mitigate the credit risk by maintaining cash and cash equivalents with the preferred financial institutions; and recovering staff debts, imprest or salary advance in terms of the applicable regulations directly from the employee's salary and/or pension. • Ensure Consistency in Coffee Quality, • Develop Promotion Strategy, • Develop Online market platform • We manage liquidity risk to ensure the Board is able to meet estimated expenditure requirements based on approved budget and through the use of cash flow forecasts. This is achieved through prudent liquidity risk management which includes maintaining sufficient cash and cash equivalents. Furthermore, the Board strive to ensure that receivables are settled within 30 days after the due date,

S/N	Risks and their Impacts		Risks Mitigation
		Liquidity risk is the risk of the Board not being able to meet its obligations as and when they fall due. The Board's approach in managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Board's reputation.	and payables are settled within 30 days of invoice except for those with disputable balances and court cases, where by management is still contemplating on the best way can be done to make sure that more forces is applied so that the government funds won't be easily lost.

2.25 Opportunities

The Board's risk assessment process identified opportunities that would expectedly enhance the strategic plan execution as summarized below:

- i. Available land for coffee expansion;
- ii. Coffee is one of the National strategic crops;
- iii. Existence of Coffee Cooperatives;
- iv. Specialized Coffee Research Institute;
- v. Potential to increase domestic coffee consumption;
- vi. Availability of input Suppliers;
- vii. Availability of Financial Institutions;
- viii. High Demand for Tanzania coffee; and
- ix. Industrialization agenda of the Government.

2.26 Assumptions on Risks, Uncertainties and Opportunities

The Board is mindful of the following assumptions during assessments of the risks, uncertainties and opportunities:

- (i) Macro- economic factors or conditions like Price, Interest rates, Gross Domestic Product, per capital income, economic growth rate, and terms of international trade exchange rate will continue to perform well and remain fairly stable;
- (ii) Political environment will remain stable and political support to coffee sub-sector prevail during the implementation of the Board's functions;
- (iii) Stable and predictable regulatory environment like Policies, Laws and Regulations will exist during the implementation of the Board functions;
- (iv) Competent, skilled and motivated staff will be available during the Strategic Plan implementation period;
- (v) Good or stable relationship with key stakeholders during the implementation of the Corporate Strategic Plan;

- (vi) Availability of sufficient financial and physical resources like buildings, working tools, and Standard Operating Procedures for the implementation of the Corporate Strategic Plan; and
- (vii) The current organization structure will remain intact for the implementation of Corporate Strategic Plan and there will be no significant change in the existing organization structure.

a) Credit risk

Credit risk is the risk of financial loss to the Board if customers or counterparties to financial instruments fail to meet their contractual obligations, and it arises principally from the Board's trade and other receivables, and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. No collateral is held for any of the assets and receivables with litigation matter have had their terms renegotiated with the Board and DPP office to continue repaying back the funds until finishes.

b) Credit quality

Credit quality is assessed risk of default attached to counterparties to which the Board extends credit and banks where the Board make its deposits. As such, the credit quality assessed extends to the customers and banks of the Board. For financial statement purposes, the balances with banks are limited to the cash and cash equivalents line item in the statement of financial position. There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review.

c) Foreign exchange rate risk

The Board is exposed to foreign exchange rate risk through some customers who are billed in foreign currencies. The Board manages any material direct exposure to foreign exchange rate risk by entering used fixed exchange rates to significant customers. However, this exposure does not result in a significant risk as foreign currency assets and liabilities are normally settled within a fairly short time.

Stakeholders' Analysis Matrix

Stakeholder	Stakeholder's needs	TCB needs	Strategies, Initiatives and Resources
Ministry of Agriculture	☞ Performance reports. ☞ Advice on all matters related to Coffee ☞ Adherence to Coffee Industry Act and Regulations ☞ Increase coffee production and quality ☞ Effective operation of coffee processing Industries ☞ Fair prices to farmers	☞ Stable and predictable policies. ☞ To provide Resource Support. ☞ Involve stakeholders in policy development.	☞ Regular dissemination of sector Information. ☞ Align with agricultural sector policy and priorities.
Treasury Registrar	☞ Effective Implementation of Performance Contract ☞ Performance reports ☞ Financial sustainability ☞ Protection of government investment ☞ Annual budget and plans.	☞ Facilitate acquisition of Capital and approval of relevant policies and incentive schemes	☞ Regular dissemination of organizational performance reports. ☞ Effective communication
TCB employees	☞ Remunerations ☞ Infrastructure and working tools ☞ Effective Information flow ☞ Career development	☞ Good performance ☞ To observe professional and moral principles. ☞ Portray good organisational image	☞ Ensure participation in decision-making. ☞ Develop standard operating procedures ☞ Develop incentive scheme ☞ Update the Scheme of Service. ☞ Establish effective performance management system

President Office of Public Service	- Adherence to Public Service Regulations. - Effectiveness and	- Good and Fair Compensation - Allocation of Enough	Ensure regular Involvement in Human capacity development
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Stakeholder	Stakeholder's needs	TCB needs	Strategies, Initiatives and Resources
management and Good Governance	- Efficiency use of Human Resource. - Development of Human Resource. - Develop and Submit Staff's Need for Approval.	- Human Resources. - Approval of Institutional Human Resource Instruments	programmes
Ministry of Finance and Planning	- Audited financial statement - Annual Budget and Plans - Effective utilization of resources - Contribute to National development plans - Adherence to National Budgetary guidelines.	Allocation of Approved Funds	- Develop and submit budget on time - Preparing and Submitting proposals for development funds
Farmers	- Fair Prices. - Prompt Payment. - Accessibility to affordable Inputs and Implements. - Extension Services - Market information - Adherence to Coffee Industry Act and Regulations	- Adoption of improved technologies - Improvement of coffee quality - Adherence to good agricultural practices - Observing entered contracts	- Develop Input Credit Scheme - Dissemination of information frequently - Enhance competitive pricing - Strengthening of Extension services

Stakeholder	Stakeholder's needs	TCB needs	Strategies, Initiatives and Resources
Coffee Cooperatives	- Fair Price. - Prompt Payment. - Accessibility to affordable Inputs and Implements. - Extension Services. - Create a platform for Market linkage. - Involvement in Sector Decision Making	- Advocate Good Governance - Prompt Payment to their farmers - Advocate use and adoption of improved technologies. - Increase coffee production and quality	- Support Cooperatives to have their own Strategy on how to Increase Production and improve Quality - Provide Capacity Building trainings
Coffee Estates (Medium/Large)	- Transparent Market Information - Engagement in Sector Matters - Land for farm expansion - Reasonable land lease period - Timely response - Fair taxes.	- Transparency in their operations - Increase coffee production and quality - Transfer of knowledge to surrounding farmers	- Prepare joint training programs. - Develop a plan to fully utilize all available coffee estates. - Develop out-growers' schemes. - Ensure stable policies. - Advocate for land tenure reforms
Coffee Millers	- Stable and predictable policies - Involvement in Sector Decision Making - Low Operational Costs - Conducive business Environment	- Transparency and Accountability. - Fair Competition - Full Operational Capacity - Low transaction costs	- Study and Advice on Best Indicative Processing Costs - Advocate for policy formulation.
Coffee Buyers	- Stable and predictable policies - Market Information - Engagement in Sector Decision Making - Improve service delivery - Ensure availability of	- Fair Price - Prompt Payment - Adherence to Coffee Industry Act and Regulations - Involvement in sector development	- Develop Online Marketing Platform - Encourage Public Private Partnership (PPP) in Coffee Investment - Promote Contract Farming

Stakeholder	Stakeholder's needs	TCB needs	Strategies, Initiatives and Resources
	adequate quality coffee ☞ Lower transaction costs	activities ☞ Promote Tanzania Coffee as single origin	☞ Review Coffee Logistic Costs
Coffee Roasters	☞ Market Linkage ☞ Promotional campaigns ☞ Provision of affordable roasting facilities ☞ Accessibility to affordable packaging materials ☞ Capacity building	☞ Adherence to Coffee Industry Act and Regulations ☞ Increase domestic consumption ☞ Serve best quality coffee to consumers ☞ Promote Tanzania Coffees	☞ Develop a coffee roaster's forum ☞ Develop a National Coffee Promotion Strategy ☞ Engage SIDO in manufacturing affordable roasting facilities
Research Institutes (TaCRI)	☞ Co-ordinate shared functions ☞ Financial and Resource Support. ☞ Promote Adoption of improved technologies ☞ Involvement in Sector Decision Making	☞ Improved coffee technologies ☞ Coffee research report ☞ Technical advice ☞ Proper utilization to stakeholder's contributions ☞ Increase production of coffee seeds to meet sectors demand ☞ Speed up seedlings' multiplication	☞ Develop technical working team ☞ Collaborate in seedling production ☞ Promotion campaign in adoption of improved technologies
Input Suppliers	☞ Well-established Input scheme ☞ Information on input demands ☞ Protect their contracts entered with farmers	☞ Accessibility and Reliability of affordable inputs ☞ Training to farmers on proper use of inputs ☞ Technical information	☞ Develop Input Credit Scheme. ☞ Create DEMO farms for Proper use of inputs

Stakeholder	Stakeholder's needs	TCB needs	Strategies, Initiatives and Resources
Financial Institutions	- Well-established Credit scheme system - Information on Credit demands	- Low interest rates facilities to stakeholders - Timely loan issuance - Financial Education to farmers.	- Establish Crop Insurance - Develop Coffee Investment Products - Establish Credit Recovery system
Local Government Authorities	- Technical and Resource support - Increase in coffee production - Collection of District Cess. - Frequent dissemination of information - Involvement in Sector	- Provision of Extension services - Allocate 20% of Coffee Cess for Production and Quality - Identify potential areas for coffee cultivations.	- Collaborate in provision of extension services - Advocate for enacting By-laws that ensure coffee quality procedure and GAPs are adhered to - Collaborate in seedling multiplication and distribution
Development Partners/NGOs	- Proper co-ordination of shared functions. - Dissemination of information frequently - Technical advices - Identification of strategic partnership	- Transparency in their operations - Provide extension services - Contribution to and financing sector priorities	- Establish system of monitoring and evaluation - Encourage Public Private Partnership (PPP) in Coffee Investment
Members of Parliament	- Recognition - Sector information - Fair prices to their voters - Visibility of coffee programmes in Coffee society - Support their	- Support for Implementing Strategic Activities - Support in allocating resources for coffee development	- Frequent dissemination of information - Guest of honors to events organised in their constituencies

Stakeholder	Stakeholder's needs	TCB needs	Strategies, Initiatives and Resources
Local coffee Associations	☞ Protection of stakeholders' interests ☞ Coordinate Implementations of the shared functions ☞ Involvement in Sector decision-making.	☞ Strengthen linkage with other stakeholders' ☞ Implementation of the shared functions ☞ Advocate coffee development agendas ☞ Improved business	☞ Strengthen stakeholders' steering committee
Media	☞ Provision of information regarding TCB operations.	☞ Disseminate accurate and timely information	☞ Develop media coverage mechanism

2.27 CAPITAL STRUCTURE AND TREASURY POLICIES

2.27.1 Capital Structure

The capital structure of the Board is made up of both ordinary shares TZS 150,000,000 divided into 1,500,000 ordinary shares of TZS 100 each, ordinary shares were fully paid up by the Treasury Registrar.

2.28 Cash Flows

The Board's cash flows can be analyzed from the cashflows statement under three areas; cashflows from operating activities, cashflows from investing activities and cashflows from financing activities. It should be noted that cash flow analysis does not consider any growth in the cash flow statement because the cash flow statement always shows what happened during the year. The Board's cash flows analysis is summarized below:

- The Board's cash flow from operating activities as at 30 June 2024 was TZS 9.39 billion (30 June 2023: TZS 7.38 billion) which is the increase of 27.24%. This increase was due to increase of revenue from core activities of the organization while reducing selling and distribution expenses
- The Board's cash flow from investing activities as at 30 June 2024 was TZS 363.71 million (30 June 2023: TZS 734.22 million) which is the decrease of 50.46%. This decrease was due to decrease in acquisition of asset.
- There were no movement of Board's cash flow from financing activities

(a) Cash Flows from Operating Activities

This includes the amount of cash an entity generates from its ongoing, regular business activities. And these are government subvention, cash received on fees, refunds, licenses and commission, exporters contributions and cash received from auctions. On the expenditure part it includes payment for administrative operations, selling and distributions, finance cost and payment for coffee auctions to farmers.

(b) Cash Flows from Investing Activities

Cash flow from investing activities involves long-term uses of cash. The purchase or sale of a fixed asset like property, plant, or equipment would be an investing activity. Also, proceeds from the sale of a division or cash out as a result of a merger or acquisition would fall under investing activities. So, for the Board, it includes acquisition of PPE for office use.

(c) Cash Flows from Financing Activities

Is a section of an entity's cash flow statement, which shows the net flows of cash that are used to fund the entity. Financing activities include transactions involving debt, equity, and dividends liquidity. In this case the Board does not have any cash flow from this category.

During the financial year ended 30 June 2024, the Board managed its liquidity level to ensure there is sufficient funds to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Board's reputation. This was achieved through prudent liquidity management which includes maintaining sufficient cash and cash equivalents and striving to ensure that receivables are settling their obligation soonest possible.

(d) Liquidity

The Board of Directors confirms that applicable Accounting Standards have been followed and that the Financial Statements of the Board have been prepared on a going concern basis. After reviewing the current Financial Position, the Board of Directors has reasonable expectation that the Board has adequate resources to continue in operational existence for the foreseeable future and meet all maturing financial obligations in the next twelve months from the date of this report, subject to continued Government support.

2.29 KEY PERFORMANCE INDICATORS

2.29.1 Key Performance Indicators Matrix

The Board's Key Performance Indicators (KPIs) are reported based on the implementation of Annual Plan and Budget derived from the Corporate Strategic Plan (2020/21-2024/25 - A five-year Strategic Plan). The KPIs for the year ended 30 June 2024 are given below:

Key Performance Indicators for the Year 2023/24

Objective	Measures		Baseline (2020/21)	2023/24	Department
Increase Revenue	Government Subvention (TZS 000,000)	PE	1,038	1,130	DFA
		OC	60	0	DFA
		DE	3,000	3,000	DFA
	Export Fee (TZS. 000'000)		2,736	3,517	DFA
	Investment Centre (TZS. 000'000)		213	229	DFA
	Coffee Export Services (TZS, 000'000)		1,755	2,257	DCQP
	Roasting Units (TZS, 000'000)		250	400	DCQP
	Rental Income (TZS, 000'000)		405	425	DFA
	Price stabilization Income (TZS 000'000)		1,000	1,500	DCQP
	Commissions (TZS, 000'000)		356	458	DFA
	Grants and Support from DP (TZS, 000'000)		1,000	1,250	DFA
Improve Financial sustainability	% Contribution of income from Investment to budget		55	56	DFA
	Coffee Development Fund (TZS 000'000)		2,751	3,529	DCDO
	Compliance with the approved budget (%)		70	75	DFA
	Debt to Asset ratio		0.04	0.03	DFA
Increase Customer Base	Number of effective Large buyers	Auction	5	6	DCQP
		DE	5	6	DCQP
	No. of active buyers participated per		8	12	DCQP

	coffee exchange				
	No. of Coffee shop Operators		100	110	DCQP
	% of Domestic consumption		8	10	DCQP
	Production (Tons)	Smallholder Farmers	62,000	75,000	DCDO
		Estate	9,000	15,000	DCDO
	No. of Estates supporting out-growers' schemes		2	8	DCDO
	No. of school farm planted coffee		10	20	DCDO
	No. of Coffee Estate		120	140	DCDO
Improve Organization Image	% Of registered complaints resolved		60	90	DFA
	Customer survey score (%)		80	85	DCQP
	Amount Spent on Promotion Materials (TZS, 000'000)		50	50	DCQP
	No. Positive Media coverage		12	12	DCQP
	No. of field day events organized		8	8	DCDO
	No. of Regional Meetings with respective Stakeholders		16	16	DCDO
	No. of participated fora	Local	8	9	DCQP
		international	7	7	DCQP
	Amount spent on Corporate Social Responsibility (TZS 000'000)		120	150	DFA
Strengthen Partnership	No. of credit input arrangements agreed		6	8	DCDO
	No. of credit facilities coordinated for farms development		5	5	DCDO

	Volume of inputs supplied through Boards coordination (Tons 000)	25	30	DCDO
	No. of seedlings produced with partners (000'000)	20	20	DCDO
	No. of contract farming coordinated and registered	50	75	DCDO
	No. of Coffee Projects implemented with Development partners	5	6	DCDO
	No. of Trainings to Cooperatives with partners	200	200	DCDO
	No. of partners providing Extension Services	6	8	DCDO
Improve coffee quality	% of price premium	40	40	DCQP
	% of class 1-6 of coffee quality	35	45	DCQP
	% of specialty coffee	10	14	DCQP
	% of Coffee Certified	9	13	DCDO
	No. of Quality Inspections	288	288	DCQP
	No. of Inspection to Estate farms	200	250	DCDO
Increase Efficiency	% of FoB price received by Farmers	62	65	DCQP
	Transaction costs (USD) per container shipment	1600	1485	DCQP
	Cycle Time from Sampling to Coffee Release (days)	20	15	DCQP
	Time from Farm Gate to Export (Days)	84	69	DCQP

	Time taken to effective payment after sales (No. of working days)		5	3	DFA
	Rating on accessibility of relevant information (Rating)		2	1	DCQP
	Response to stakeholders' inquiries (No. of working hours)		12	12	DCQP
	Productivity (clean kg/tree)	Arabica	0.3	0.5	DCDO
		Robusta	0.5	0.75	DCDO
	Issuance of license and permit (No. of working days)		3	3	DCDO
Enhance Business Environment	Increase in number of coffee by-product		3	4	DCQP
	No. of consultations meetings with stakeholders to improve business environment		4	4	DCDO
	No. of consultations meetings with responsible MDA for improving business environment		8	8	HLU
	No. of Required Documents for coffee export		41	35	DCQP
Improve staff capacity	No. of Steps to exportations		35	32	DCQP
	No. of Staff Attending Short Term Professional Courses		30	30	DFA
	No. of Staff Sponsored for Long Term Trainings		4	4	DFA
	No. of On-Job Trainings Organized		4	4	DFA
	No. of Certified Professional Staff		8	15	DFA
	No. of Staff Attached for Practical		2	2	DFA

	Learning			
	Employee Satisfaction Level (%)	80	85	DFA
	Manning level as per establishment (%)	70	75	DFA
	No. HIV trainings	2	2	DFA
	Employee turnover rate (%)	7	5	DFA
	No. of Gender Trainings	2	2	DFA
	No. of Anti-corruption Trainings	2	2	DFA
	Staff weighted performance score (1-5)	2.5	2.4	DFA
	Number of staff welfare package	4	5	DFA
	No. of Staff Recruited	21	5	DFA
Upgrade infrastructures	Budget on Tools and Facilities (TZS 000'000)	5,000	5,000	DFA
	% Completion of Dar es Salaam Investment Centre	20	50	DFA
	% Completion of Three Zonal Buildings	20	50	DFA
	% Completion of Dodoma Investment Centre	20	70	DFA
	% Completion of Five Coffee Shops	20	50	DCQP
	% Integrated Management Information Systems Built	2	1	HTU
	Ratio of Staff to Computer	0.7:1	0.8:1	HTU
	No. of Workers council meetings	3	3	DFA
	% Of Compliance to procurement standards	95	96	HPMU
	BoD evaluation performance score (%)	80	86	DG

2.30 Implementation Status of the Corporate Strategic Plan

The Board strived to implement most of the planned activities under the five Years Corporate Strategic Plan (2020/21-2024/25). Some of the key results/major activities and developments which took place during the financial year ended 30 June 2024 included the following: -

- **Increase in production**

Which lead to increase in the quality of coffee resulted in an increase in the market price and hence revenue shot up.

2.31 CORPORATE GOVERNANCE MATTERS

2.31.1 Corporate Governance Statement

Corporate Governance is the backbone to any entity's strategy and success as it provides a framework within which corporate objectives are set and performance is monitored. Good corporate governance is critical in the public sector entities and the Board in particular, because with good corporate governance, the institutional risks that would lead to failure of the Board to perform its regulatory functions on coffee sector and its exclusive mandate in this business are mitigated.

The Board is committed to the principles of good corporate governance. The BoD recognizes the importance of integrity, transparency, confidentiality and accountability. In addition, the Board has an overall responsibility for identifying key risk areas, considering and monitoring investment decisions, significant financial matters and reviewing performance of the Board's plans and budgets. Furthermore, the Board is also responsible for ensuring that a comprehensive system of internal control and procedures is operative in compliance with sound corporate governance principles.

Therefore, during the year under review, the Board complied with all aspects of good corporate governance principles which include BoD operations and control; rights of the Government and general public; stakeholder relations; ethics and social responsibility; accountability, risk management and internal control; and transparency and disclosure. These are briefly explained below:

2.32 Membership of Those Charged with Governance

The Board of Directors is established under Section. 3 of Tanzania Coffee Industry, 2001 (revised in 2009). Below is the list of BoD members who served the board during the year under audit.

S/N	Name	Position	Nationality	Age	Qualifications	Representative Organization	Date appointment	Date of Expiration
1.	Prof. Aurelia K. N. Kamuzora	Board Chairperson	Tanzanian	56	PhD (Law and Economics) Master's Degree in Business Administration. Advanced Studies in Business Management, Specialization in International Management. Advanced Diploma in Economic Planning (International Economics-Elective)	Associate Professor Trustee and Founder of Green for Education and Poverty Alleviation. Chairperson of the Board-Bondwa Secondary School. Project Leader -Green for Education and Poverty Alleviation project in Kagera Region.	20 April 2021	19 April 2024
2.	Mr. Edson M. Rugaimukamu	Member Representative Western Zone	Tanzanian	55	Master of Business Administration Degree. CPA, ACPA.	General Manager-KCU	20 April 2021	19 April 2024
3.	Mr. Shedrack A. Issangya	Member Representative Northern Zone	Tanzanian	64	Diploma in Business Administration	Managing Director- Straus East African CO. Ltd. Board Chairman - Arusha Cooperative Union (ACU) Board Chairman-Mbozi Coffee Curing CO Ltd.	20 April 2021	19 April 2024
4.	Gotham Filipo Haule	Member Representative Southen Zone	Tanzanian	65	Diploma in General Agriculture.	Member-Mwekela AMCOS.	20 April 2021	19 April 2024
5.	Mr. Timson Nzunda	Member Representative Tanzania Coffee Association - TCA	Tanzanian	55	Advanced Diploma in Economic Planning.	Director Lima Kwanza Ltd Chairman -TCA	20 April 2021	19 April 2024
6.	Mr. Neel Vohora	Member Representative Tanzania Coffee Growers Association-TCGA.	British	41	MSc. Investment Management BEng Hons Chemical Engineering.	Director-Finagro Plantation Ltd &Edelweiss Oldeani Estate Ltd	20 April 2021	19 April 2024
7.	Nangula H. Mwampamba	Member who possess knowledge	Tanzanian	48	MSc Water and	Consultant and Trainer	20 April 2021	19 April 2024

S/N	Name	Position	Nationality	Age	Qualifications	Representative Organization	Date Appointment	Date of Expiration
		and Experience in Coffee Industry.			Environmental Management. M.A Human Geography.			
8.	Bahati Ludhabihilo Mlwilo	Member who Possess Knowledge and Experience in the Coffee Industry.	Tanzanian	39	Master of Business Administration. MSC International Coffee Economics and Science.	Country Manager - Starbucks.	20 April 2021	19 April 2024
9.	Chimagu E. Nyasebwa	Representative From Government/Ministry of Agriculture.	Tanzanian	45	MSc Economics	Director Of Crop Development.	20 April 2021	19 April 2024

Source: Board Chairman and Members Curriculum Vitae, Letters of Appointment and Board's meeting minutes

• BOARD MEETINGS HELD FOR THE YEAR 2023/2024

During the financial year 2023/2024, the Board of Directors held 4 Ordinary Meetings. During this period, there were no Extraordinary Meetings. The list of members who attended and the matters discussed are shown in the table below:

No	Members attendance	Matters discussed
1.	The 98th Board Meeting Board Meeting Attendees 1. Prof. Aurelia K. N. Kamuzora - Chairperson 2. Mr. Nyasebwa E. Chimagu - Member 3. Mr. Gotham F. Haule - Member 4. Mr. Shadrack A. Issangya - Member 5. Ms. Bahati L. Mlwilo - Member 6. Mr. Edson M. Rugaimukamu - Member 7. Mr. Tinson T. Nzunda - Member 8. Ms. Nangula H. Mwampamba - Member 9. Mr. Neel Vohora - Member 10. Mr. Primus O. Kimaryo - Secretary Invited 1. Mr. Kajiru F. Kisenge - Director of Coffee Development and Operations 2. Mr. Frank J. Nyarusi - Acting Director of Coffee Quality and Promotion 3. Mr. Peter J. Mollel - Director of Finance and Administration 4. Ms. Engerasia A. Mongi - Head of the Legal Unit	Agenda 1. Opening the meeting 2. Approving the Agenda 3. Reviewing and approving the minutes of the 97th Board Meeting held on 22nd May, 2023, and the Emergency Board Meeting held on 21st June, 2023 4. Matters arising from the 97th Board Meeting held on 22nd May, 2023, and the Emergency Board Meeting held on 21st June, 2023 5. Receiving and discussing the Director General's performance report for the period July 2022 to June 2023 6. Receiving the report on development funds 7. Request for approval to write off long-term debts 8. Any other business 9. Closing the meeting
2.	The 99th Board Meeting Board Meeting Attendees	Agenda 1. Opening the meeting 2. Approving the Agenda

	1. Prof. Aurelia K. N. Kamuzora - Chairperson 2. Mr. Nyasebwa E. Chimagu - Member 3. Mr. Gotham F. Haule - Member 4. Mr. Shadrack A. Issangya - Member 5. Ms. Bahati L. Mlwilo - Member 6. Mr. Edson M. Rugaimukamu - Member 7. Mr. Tinson T. Nzunda - Member 8. Ms. Nangula H. Mwampamba - Member 9. Mr. Neel Vohora - Member 10. Mr. Primus O. Kimaryo - Secretary Invited 1. Mr. Kajiru F. Kisenge - Director of Coffee Development and Operations 2. Mr. Frank J. Nyarusi - Acting Director of Coffee Quality and Promotion 3. Mr. Peter J. Mollé - Director of Finance and Administration 4. Ms. Engerasia A. Mongi - Head of the Legal Unit	3. Reviewing and approving the minutes of the 98th Board Meeting held on September 15, 2023 4. Matters arising from the 98th Board Meeting held on September 15, 2023 5. Receiving and discussing the Director General's performance report for the first quarter of 2023/24 - July to September 2023 6. Receiving the presentation from the Board Audit Committee 7. Receiving and discussing proposals for investment in the TANICA factory 8. Matters related to staff 9. Any other business 10. Closing the meeting
3.	The 100th Board Meeting Board Meeting Attendees 1. Prof. Aurelia K. N. Kamuzora - Chairperson 2. Mr. Nyasebwa E. Chimagu - Member 3. Mr. Gotham F. Haule - Member 4. Mr. Shadrack A. Issangya - Member 5. Ms. Bahati L. Mlwilo - Member 6. Mr. Edson M. Rugaimukamu - Member 7. Mr. Tinson T. Nzunda - Member 8. Ms. Nangula H. Mwampamba - Member 9. Mr. Neel Vohora - Member 10. Mr. Primus O. Kimaryo - Secretary Invited 1. Mr. Kajiru F. Kisenge - Director of Coffee Development and Operations 2. Mr. Frank J. Nyarusi - Acting Director of Coffee Quality and Promotion 3. Mr. Peter J. Mollé - Director of Finance and Administration 4. Ms. Engerasia A. Mongi - Head of the Legal Unit	Agenda 1. Opening the meeting 2. Approving the Agenda 3. Reviewing and approving the minutes of the 99th Board Meeting held on December 20, 2023 4. Matters arising from the 99th Board Meeting held on December 20, 2023 5. Receiving and discussing the Director General's performance report for the half-year period of 2023/24 - July to December, 2023 6. Receiving the presentation from the Board Audit Committee 7. Any other business 8. Closing the meeting
4.	The 101st Board Meeting Board Meeting Attendees 1. Prof. Aurelia K. N. Kamuzora - Chairperson 2. Mr. Nyasebwa E. Chimagu - Member 3. Mr. Gotham F. Haule - Member 4. Mr. Shadrack A. Issangya - Member 5. Ms. Bahati L. Mlwilo - Member 6. Mr. Edson M. Rugaimukamu - Member 7. Mr. Tinson T. Nzunda - Member 8. Ms. Nangula H. Mwampamba - Member 9. Mr. Neel Vohora - Member 10. Mr. Primus O. Kimaryo - Secretary	Agenda 1. Opening the meeting 2. Approving the Agenda 3. Reviewing and approving the minutes of the 100th Board Meeting held on February 23, 2024 4. Matters arising from the 100th Board Meeting held on February 23, 2024 5. Receiving and discussing the Director General's performance report for the third quarter of 2023/24 - January to March, 2024 6. Receiving and discussing the report of the Board concluding its term of appointment 7. Any other business 8. Closing the meeting

	Invited 1. Mr. Kajiru F. Kisenge - Director of Coffee Development and Operations 2. Mr. Frank J. Nyarusi - Acting Director of Coffee Quality and Promotion 3. Mr. Peter J. Mollel - Director of Finance and Administration 4. Ms. Engerasia A. Mongi - Head of the Legal Unit	
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2.33 The Board secretary

According to the Section 1(4) of the Schedule to the Act, the Director General serves as Secretary to the Board of Directors (the “Secretary”).

The Secretary plays a leading role in good governance by helping the Board of Directors and its Committees function effectively and in accordance with their terms of reference and best practice. Providing support goes beyond scheduling meetings to proactively managing the agenda and ensuring the presentation of high quality up-to-date information in advance of meetings. The current Secretary to the Board is Mr. Primus Kimaryo (Director General).

2.34 Board operations and control

The principle on appointment, composition, size and qualifications of Board members was observed by the appointing authorities; the President of the United Republic of Tanzania on appointment of the BoD Chairman, and the Minister Agriculture on appointment of Board Members. These principles were observed as follows:

(a) Diversity

The BoD is composed of members of different qualifications with diversity of strength and knowledge of the coffee sector. Diversity is observed through differentiation in the age of directors, their gender, professional qualifications and previous experiences. In addition, members were appointed from Tanzania Coffee Association (TCA) not more than five recommended names, One member from not less than two and not more than three names recommended by Association of Coffee Growers, Three members from three major Coffee zones recommended by respective Unions, One member representing the Ministry; and Two persons possessing knowledge and experience in the coffee industry the public institution. Thus, the BoD has representatives from the Ministry responsible for Agriculture, AMCOS/RPCS, Coffee exporters, Coffee consultation and while others were appointed from the public and private sectors. As well some are members of professional bodies.

(b) Structure of the Board

To ensure effectiveness and value addition to the Board, the BoD has a maximum of Nine (9) members including the Chairman. In addition, the BoD had established an Audit Committee. The

Committee has Charter which provide terms of reference and guidance on undertaking its
Controller and Auditor General

AR/PA/TCB/2023/24

oversight role. Thus, the Board ensures that the Committees is appropriately constituted with members who have the necessary skills and expertise to handle the responsibilities allocated to them such as members with CPA. Furthermore, the BoD will be adding other committee when the matter arise, and this is because the Board wants to be cost effective when there is no any necessary reason for a committee to hold a meeting.

(c) The Functions of the BoD

To enhance accountability to the Government and the public at large, the Board has ensured that:

- It has distinguished the roles reserved for the BoD and those delegated to the Management of the Board;
- The functions of the BoD Chairman and the Director General of the Board are not exercised by the same individual;
- The BoD Chairman is a non-executive director;
- The Director General is the Secretary to the BoD assisted by a qualified and competent officer of good standing from the Legal Services Unit trained for such service at the Institute of Directors in Tanzania (IoDT);
- The Board's strategies are sustainable;
- The Board has clearly identified the BoD's fiduciary duties; and
- The Board of Directors is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.
- The Board of Directors is committed to the principles of effective corporate governance and recognizes the need to conduct the business in accordance with general accepted best practice. Furthermore, the directors recognize the importance of integrity, transparency and accountability in sound corporate governance.

(d) The BoD Independence

The Board assesses the independence of BoD members on an annual basis, to ensure that the BoD always benefits from independent and objective judgment.

(e) The BoD Instruments

The Board has a plan of developing the BoD's Code of Ethics and Conduct, which will go hand to hand with the Treasury Registrar's Board of Directors Code of Ethics and Conduct Guidelines, 2016. The Code shall be cascaded down to all employees, as well as to the established Charters of the BoD and its Committee so as to guide the BoD in undertaking its oversight role and planned activities. The Code and the Charters shall be reviewed where needs arise to cope with changes.

(f) Governance on Audit

The BoD continues to oversee Management implementation of the Controller and Auditor

General's recommendations made during the statutory audit for the previous years from 2016/2017 to date since there are significant issues which arose from the CAG special audit as it is stipulated on the face of the financial statements plus the 2022/2023 recommendations. In addition, the BoD continues to oversee Management implementation of recommendations made by the Office of the Treasury Registrar following Management/ Governance audit conducted in the financial year 2021/2022 as well as the implementation of the performance contract for the year 2022/2023.

(g) Internal Audit

The Unit assesses risk, reviews control and advises management and the audit committee accordingly. The Chief Internal Auditor reports administratively to the Director General. The Head of internal audit Department is still acting and was appointed on 01 July 2020.

h) Rights of the Government and the General Public

The Board recognizes respects and protects the rights of the Government and the general public through:

- Availing information on the Board's performance by submission of quarterly performance reports to relevant Government authorities and it plans to publish annual reports together with audited financial statements in the near future;
- Ensuring equitable treatment of all the farmers, regulated service providers and customers in discharging the Board functions;
- Ensuring that Government, Ministries and Agencies hold meetings with the Board's Management, when required, to discuss any matter related to the Board's performance or service delivery; and
- Engaging the media on dissemination of important Board's information like market coffee prices and farm gate prices.

i) Ethics and social responsibility

The BoD has identified the following four ethical values, which underpin good corporate governance, to guide all its deliberations, decisions and actions:

- **Responsibility:** The BoD assumes responsibility for the assets and actions of the Board and is willing to take corrective actions to keep the Board on a strategic path that is ethical and sustainable;
- **Accountability:** The BoD justifies its decisions and actions to the Government and other stakeholders;
- **Fairness:** The BoD ensures that it considers the legitimate interests and expectations of all stakeholders; and
- **Transparency:** The BoD discloses information in a manner that enables stakeholders to make an informed analysis of the Board's performance and sustainability.

The BoD has a plan of developing the Board's Code of Ethics and Conduct, which will ensure that

its business is conducted according to the highest ethical standards and in compliance with all the applicable laws and regulations governing the regulation of coffee sector. The provisions of the Code will apply to the Board, Management, and all staff of the Board.

j) Risk Management, Internal Control and Accountability

The BoD is committed to ensure existence of a continuous process of risk management and internal controls which ensures business continuity on service delivery so as to achieve the strategic goals while managing the risks.

An overall highlighted risk and internal control has been developed in current strategic plan, which includes the Risk Management Framework and its way of mitigating it with its related processes, guidance, and tools. The Board is committed to identifying and managing risks to its work plans, defining, and implementing efficient and effective internal controls, to strengthen its ability to meet objectives and deliver benefits and goals expected by its stakeholders.

Good risk management identifies the potential events which could affect the achievement of goals and develops action plans for addressing these risks - allowing informed decision-making, better prioritization and improved use of resources. The Board's approach to risk management does not aim to eliminate or avoid risk but to be aware of it, reducing risk to an acceptable level and balancing risks and opportunities when deciding on a course of action.

Risk management process includes the implementation of regularly updated risk analyses and mitigation plans at all levels of the Board, both at head office and branches and zonal offices.

The purpose is both to create a tool for internal management of each Directorate and Unit so as to provide information to the Management on key risks identified and how these are managed. In addition to this bottom-up review of risks, the Board has integrated risk management in its corporate strategic planning and results-based management processes.

Every staff of the Board has an important role in risk management process and controls as part of their work. In particular, all Directors, Heads of Unit and Managers are accountable for identifying and managing risks and overseeing definition and implementation of internal controls, policies and procedures within the area under their authority, including management of issues which arise.

k) HIV/AIDS Policy

The Board recognizes the importance of staff awareness regarding HIV/AIDS issues. Relevant sections have been included in the staff regulations. The Board has determined some risks associated with an impact of HIV/AIDS as follows: operational risk, legal risk and health risk.

While all these risks are under investigation, the Board has adopted the following core principles as a basis for its HIV/AIDS policy:

- Continuously assess the risk posed by HIV/AIDS on the operations of the Board;

- Limit the number of new infections among the employees;
- Ensure employees living with HIV/AIDS are aware of their rights and that their rights are respected and protected; and
- Provide care and support to employees living with HIV/AIDS.

l) Anti-corruption at workplaces

The Board implements ‘anti-corruption’ at work place by adhering to good governance principles in procurements and recruitments. The staff regulations set platform for anti-corruption guidelines.

m) Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In the normal course of executing its core activities, the Board has entered into various related party relationships i.e. Treasury Registrar, Key management staff, Directors and their associates.

n) Coffee Cess for Research and crop development

Financing of ecology, research and other development programs in the coffee sector conducted by the Tanzania Coffee Research Institute (TaCRI) is by way of a mandated deduction of 0.375% from farmers and 0.225% from coffee exporters and from June 2022 there were an addition of TZS 100 per everyone kilogram of dry coffee for coffee buyer from sales proceeds for crop development. The Board acts as a collection agent and remits the funds to TaCRI.

o) Policy on Conflict of Interest

The BoD recognizes that excessive activities, gratuities and access to information may lead to actual or potential conflicts of interest between the interests of the Board and those of its relevant persons, so it has planned to come up with the document that will put clear every activity and its area of authority to avoid conflict of interest at workplace. The document shall identify the activities which may compete or conflict with the Board’s interests and outlines the steps to manage conflict of interest when it arises.

p) Policy on IT

The Board also has started working on IT policies following eGA standards as it is showing in the SP of the Board, so as to enable the Board to realise its digitization agenda. The policies shall provide in-depth coverage and guidance on IT-related matters such as: business continuity plan (BCP)/disaster recovery plan (DRP), Service Level Agreement (SLA) management, project management, server room management, business partnerships, database procedures, incident management, invoice processing, quality assurance, security procedures and software design, development and testing.

q) Policy on Procurement

The Board abides with the Public Procurement Act, Cap 410 and its Regulations as amended, so as to:

- Promote best practices, transparency and professionalism in all acquisition processes within the Board;
- Ensure that suppliers of goods and services are subjected to a competitive tendering process in order to achieve quality, price competitiveness and reliability;
- Ensure that all expenditures are incurred in accordance with the approved plan and budget and the annual procurement plan (APP); and
- Ensure compliance with applicable regulations and legislations.

r) Policy on Environmental Protection

Environmental protection is a social and economic necessity and an integral component of sustainable development. Similarly, sustainable development is the central concept on environmental policy. Sustainable development means achieving a quality of life that can be maintained for many generations because it is socially desirable, economically viable and environmentally sustainable.

The Board is committed to support the Government of Tanzania to ensure sustainable development is made through short, medium and long-term social and economic growth. This will be achieved by observing the following:

- Compliance with legislation on environmental protection including the guidance of the National Environmental Management Council (NEMC) issued from time to time; and
- Provide education and create awareness on coffee trees plantations through “Mashamba Darasa” which will be a way of conserving the environment by planting more coffee trees.

2.35 Meetings of Those Charged with Governance

The current BoD was appointed on 18 June 2021 nearly to the end of financial year 2023/2024, the BoD held four (4) Ordinary meetings during the year under review. The BoD approved various decisions including deliberating and approving the annual plan and budget for the financial year 2024/2025 and issued directives on various matters. Also, the Management held its four (4) quarterly meetings during the year under audit as well as other several extra ordinary meeting which were held as the matter arose from day- to-day operations.

2.36 Committees of Those Charged with Governance

In line with the principles of good governance, there shall be Audit Committee of the Board of Directors. However, the BoD has mandate to form a committee where the need arise to address certain matters during operations of the BoD. The existing

committees of the Board of Directors had one standing committee and one other committee with the following members:

(a) Audit Committee Members

S/N	Name	Position	Qualification	Nationality
1	CPA Edson M. Rugaimukamu	Chairperson - Active	Master of Business Administration Degree. -CPA, ACPA.	Tanzania
2	Bahati L. Mlwilo	Member - Active	Master of Business Administration. -MSC International Coffee Economics and Science.	Tanzania
3	Tinson T. Nzunda	Member - Active	Advanced Diploma in Economic Planning.	Tanzania
4	Ms. Engerasia Mongi	Secretary - Active	Bachelor Degree in Laws	Tanzania

Source: Tanzania Coffee Board

Audit Committee Meetings Held For The Year 2023/2024

During the financial year 2023/2024, the Board Audit Committee held one (1) Ordinary Meeting and one (1) Extraordinary Meetings. The list of members who attended and the matters discussed are shown in the table below

No	Members attendance	Matters discussed
1.	Ordinary Board Audit Committee Meeting Attendees 1. Mr. Edson M. Rugaimukamu - Chairperson 2. Mr. Tinson T. Nzunda - Member 3. Ms. Bahati L. Mlwilo - Member 4. Ms. Engerasia A. Mongi - Secretary Invited 1. Mr. Kajiru F. Kisenge - Acting Director General 2. Mr. Silas P. Singili - Acting Internal Auditor General 3. Mr. Peter J. Mollel - Director of Finance and Administration	Agenda 1. Opening the meeting 2. Approving the Agenda 3. Confirming the minutes of the 11th Committee Meeting 4. Matters arising from the 11th Committee Meeting 5. Discussing and approving the Risk-Based Internal Audit Plan - 2023/2024 6. Reviewing and discussing the first internal audit report (Internal Audit Quarterly Report - Quarter One (Q1), 2023/2024) 7. Receiving the Audit Committee Charter 8. Receiving the Management Letter and the Board's financial statements for the year 2022/2023 9. Approving the schedule of Audit Committee meetings 10. Any other business 11. Closing the meeting
2	Extra-Ordinary Board Audit Committee Meeting Attendees 1. Mr. Edson M. Rugaimukamu - Chairperson 2. Mr. Tinson T. Nzunda - Member 3. Ms. Bahati L. Mlwilo - Member	Agenda 1. Opening the meeting 2. Approving the agenda 3. Receiving and discussing the Board's financial statement for the year 2022/2023 from the Controller and Auditor General of Government Accounts

4. Ms. Engerasia A. Mongi - Secretary Invited 1. Mr. Primus O. Kimaryo - Director General 2. Mr. Silas P. Singili - Acting Internal Auditor General 3. Mr. Peter J. Mollel - Director of Finance and Administration 4. Mr. Jafari A. Milango - CAG Representative 5. Mr. Nyanchogu Warento - CAG Representative	4. Receiving and discussing the Board's budget for the Financial Year 2024/2025 5. Any other business 6. Closing the meeting
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Functions of the audit committee

- i. To advise the Board of Directors on the appointment of the external auditors, the audit fee, the provision of any non-audit services, and any questions of resignation or dismissal of the external auditor;
- ii. To approve the internal audit and annual strategic audit plans of the Board and to monitor the conduct of both the internal and external auditors during the course of execution of their assignments and to ensure maintenance of their independence;
- iii. To discuss, if necessary, with the external auditors, before the audit commences, the nature and scope of the audit and or after to discuss problems and reservations arising from the interim and final audits, including management responses;
- iv. To review the internal auditors' audit needs assessment and the audit plan: to consider major findings of internal audit investigations and management's response and promote coordination between the internal and external auditors;
- v. To monitor the implementation by management of agreed audit-based recommendations as well as directives given by the Board of Directors Public Accountants Committee and Agriculture and;
- vi. To monitor the performance of the external auditors and to make recommendations to the Board of Directors concerning their re-appointment, where appropriate.

2.37 Management of the Board

The Management of the Board is under the Director General and is organized with directorates and units.

(a) Directorates

There are three (3) directorates within the Board, which are;

- Directorate of Coffee Development;
- Directorate of Finance and administration; and
- Directorate of Coffee Quality and Promotions.

(b) Units

Also, the Board has five (5) units which operating with the directorate, and these are;

- Procurement Unit
- Planning Unit
- ICT Unit
- Audit Unit
- Legal Unit

Management of the Board

S/N	Name	Position	Qualification	Nationality
1.	Primus O. Kimaryo	Director General	Master of Business Administration.	Tanzanian
2.	Frank J. Nyarusi	Ag. Director of Coffee Quality and Promotion	Master of Business Administration.	Tanzanian
3.	Kajiru F. Kisenge	Director of Coffee Development and Operations	Master of Science in Agricultural Economics	Tanzanian
4.	Peter J. Mollel	Director of Finance and Administration	Master's in business Administration CPA (T)	Tanzanian
5.	Engerasia A. Mongi	Head of Legal Counsel Unit	Bachelor of Laws (LL.B)	Tanzanian
6.	Silas P. Singili	Ag. Head of Internal Audit Unit	MBA in Corporate Management	Tanzanian
7.	Solis E. Kapinga	Ag. Head of Procurement Management Unit	Masters in Procurement and Supplies Management (MA-PSM)	Tanzanian
8.	Godfrey F. Kimario	Ag. Head of Planning Unit	Master of Business Management	Tanzanian
9.	Albert J. Minja	Ag. Head of Technical Unit	Adv. Diploma in Computer Engineering	Tanzanian

2.38 POLITICAL AND CHARITABLE DONATIONS

The Board did not make any political donations during the year ended 30 June 2024. Donations were made as part of corporate social responsibility to institutions and charitable organizations to acknowledge the Board's responsibility to community social needs. During the financial year ended 30 June 2024 the Board spent TZS 18.8 Million (30 June 2023: TZS 9.4 Million) to support social and economic development initiatives implemented throughout the country.

2.39 EMPLOYEES' WELFARE

- **Management and Employees' Relationship**

A healthy relationship existed during the financial year between Management and employees represented by the Workers Union i.e., TPAWU and workers internal meetings. There was a harmonious relationship demonstrated during the Workers Council meetings where Management transacted with TPAWU leaders and employees' representations. Generally, there were no unresolved complaints received from the employees during the year.

- **Working Environment**

Management believes that its employees should find working for the Board an inspiring and personally elevating experience, and consequently accepts co-responsibility for the development of each employee to his/her full potential. Career progress is based on the individual initiative towards the fulfilment of their responsibilities complemented by the Board. This encompasses individual commitment towards innovative thinking and professional expertise resulting to reward.

- **Opportunities and Fairness**

Management is convinced that equal opportunities for all employees, irrespective of ethnicity, race, gender, disability or religion, should be pursued. Management accepts that only through total commitment, loyalty and dedication of its employees will be able to achieve its performance targets.

- **Post-employment Benefits**

All employees of the Board are members of PSSSF except for those working in contracts like casual labors, internship and field students. The Board contributes 15% of basic salary of each employee to the Fund on behalf of all permanent employees and employee contributes 5% of their basic salary.

- **Medical Services**

The Board operates insured (health benefit) plan for employees, their spouses and up to a maximum of four dependents. Contribution is paid to the National Health Insurance Fund (NHIF) upon successful registration of the employee to the Fund, whereby the contributions are shared equally, the Board 3% and the employee 3%.

- **Training**

The Board continually develop training programs to ensure employees are adequately trained at all levels. Employees are given opportunity to attend short and long training programs both locally and outside the country to upgrade their skills and enhance career development. During the year under Audit the Board spent TZS 23.475 million for the staff trainings compared to TZS

3.76 million which was spent in the year 2022/2023 for training fees and allowances and a total of three (2) staff were released to attend long-term training for master degree sponsored by the Board while One (1) attended an international short-term training in Egypt.

- **Financial Assistance to Employees**

Staff advance are available to all confirmed employees depending on the assessment of and the discretion of management as to the need and circumstances. Management has established TCB SACCOS to assist in promoting the welfare of its employees.

2.40 DISABLED PERSONS AND GENDER BALANCE

2.40.1 Disabled Persons

The Board is an equal opportunity employer and as a matter of policy, recruitment processes are transparent and competitive. In case of applications for employment by persons with disabilities will be considered bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort shall be made to ensure that their employment with the Board continues, and appropriate training is arranged. It is the policy of the Board that training, career development and promotion in case of persons with disabilities should, as far as possible, be identical to that of other employees.

2.40.2 Gender Balance

It is the Board's policy to give equal opportunities to both genders in employment and training.

Women are employed and sent for various training courses without discrimination. During the year, the Board had total employees of 69 out of which 47 were male and 22 were female [which was the same as the previous year (2022/23)].

2.41 HIV/AIDS Policy

The Board recognizes the importance of staff awareness regarding HIV/AIDS issues.

Relevant sections have been included in the staff regulations. The Board has determined some risks associated with an impact of HIV/AIDS as follows: operational risk, legal risk and health risk. While all these risks are under investigation, the Board has adopted the following core principles as a basis for its HIV/AIDS policy:

- Continuously assess the risk posed by HIV/AIDS on the operations of the Board.
- Limit the number of new infections among the employees.
- Ensure employees living with HIV/AIDS are aware of their rights and that their rights are respected and protected.
- Provide care and support to employees living with HIV/AIDS.

2.42 Compliance with laws and regulations

In carrying out its activities, the Board is required to comply with various statutory requirements including Laws and Regulations. Nothing has come to the attention of the Directors to indicate non-compliance with all statutory requirements.

2.43 Environmental control programs

The Board recognizes importance of environmental management thus adheres to the environmental issues in the development projects carried out. The Board has been active to ensure its properties remain in sound and clean environment by providing sufficient facilities for waste collection by also engaging the agent for carrying wastes to Municipal disposal area.

2.44 Anti-corruption at workplaces

The Board implements ‘anti-corruption’ at work place by adhering to good governance principles in procurements and recruitments. The staff regulations set platform for anticorruption guidelines.

2.45 Corporate social responsibility (CSR)

The Board continued with its commitment to put its employees at the heart of CSR programs by engaging with them in participation on various CSR activities. Staff participation has highlighted the importance of giving where the Board encourages and promotes staff interest in giving back to the community, hence it brought positive impact to the communities we serve. The Board and its employees will continue to participate in CSR activities.

2.46 Procurement

The Board had major procurement contracts with persons and other entities, which were essential to its operations during the financial year ended 30 June 2024. All procurement purchases were conducted through NEST.

2.47 Statement of Compliance

The Report by Those Charged with Governance is prepared in compliance with the new Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) as issued by the National Board of Accountants and Auditors (NBAA) and became effective from 1 January 2021. The Board’s financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs) as issued by the International Public Sector Accounting Standards Board (IPSASB).

2.48 APPOINTMENT OF AUDITOR

The Controller and Auditor General (CAG) carries out the audit of the financial statements of the Tanzania Coffee Board for the financial year ended 30 June 2024 using the powers conferred upon him by Section 33(1) of the Public Audit Act.

2.49 Responsibility of The Auditor

The Controller and Auditor General (CAG) has a statutory responsibility to report to the stakeholders as to whether, in his opinion, the financial statements of the Board presents true and fair view of the financial position, financial performance and cash flows for the year then

Name:

Permanent Secretary - Ministry of
Agriculture

Signature.....

Date:

Name:

Director General- Tanzania Coffee
Board

Signature:

Date:

3.0 STATEMENT OF DIRECTORS' RESPONSIBILITIES AND THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2024

Pursuant to Section 39(1) of the Coffee Industry Act No. 23 of 2001, the Board is required to keep proper books of account and maintain proper records of its operations. Those Charged with Governance accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements. Those Charged with Governance understand that the Board's system of internal control is effective to provide reasonable, but not absolute, assurance that the transactions recorded in the books of account, which were used to prepare these financial statements, are free from material misstatement.

Those Charged with Governance further accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Public Sector Accounting Standards (IPSAS), The Public Finance Act, No. 6 of 2001 (Revised 2004), NBAA's Pronouncements and in the manner required by the Tanzania Coffee Industry Act No 23. In addition, Those Charged with Governance are of the opinion that the financial statements give a true and fair view of the Board's state of the financial affairs and of its operating results for the year ended 30 June 2024.

Nothing has come to the attention of Those Charged with Governance to indicate that the Government of the United Republic of Tanzania shall wind up the operations of the Board, thus, not to remain a going concern for at least the next twelve months from the date of this statement.

This statement was approved and authorized for issue by the Board of Directors and signed on its behalf by:

EFFECTIVE DATE

Name:

Name:

Permanent Secretary - Ministry of
Agriculture

Director General- Tanzania Coffee
Board

Signature.....

Signature:

Date:

Date:

4.0 DECLARATION OF THE HEAD OF FINANCE OF TANZANIA COFFEE BOARD

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 to discharge the responsibility of preparing financial statements of an 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, **Dina Joseph Mwasaga**, The Finance Manager (FM) of Tanzania Coffee Board hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2024 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and the requirements of Tanzania Coffee Industry Act of 2001 and Public Finance Act. No 6 of 2001 (Revised 2004)

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

Signed by:

NBAA Membership No. ACPA 4311

Date:

5.0 FINANCIAL STATEMENTS

5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Notes	2023/24 TZS “000”	2022/23 TZS “000”
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	17,205,973	8,190,785
Trade and Other Receivables	6	10,434,129	7,333,766
Inventories	7	213,063	75,983
Total Current Assets		27,853,165	15,600,534
Non-Current Assets			
Investment Property	8	12,497,594	12,543,794
Property, Plant and Equipment	9	21,666,623	21,616,108
Intangible Asset	10	30,819	46,029
Total Non-Current Assets		34,195,036	34,205,931
Total Assets		62,048,201	49,806,465
LIABILITIES			
Current Liabilities			
Trade and Other Payables	11	23,674,301	12,015,861
Provisions	12	66,000	10,320
Total liabilities		23,740,301	12,026,181
Net Assets		38,307,900	37,780,284
NET ASSETS / EQUITY			
Capital Fund	13	311,332	311,332
Accumulated surplus		37,996,568	37,468,951
Net assets/ Equity		38,307,900	37,780,284

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Gerald Geoffrey Mweli
PERMANENT SECRETARY
MINISTRY OF AGRICULTURE

Date.....

.....
Primus Kimaryo
DIRECTOR GENERAL
TANZANIA COFFEE BOAR

Date.....

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

Revenue		2023/24	2022/23
Revenue from Non- exchange Transactions	Notes	TZS “000”	TZS “000”
Government Subvention	14	1,704,220	1,811,444
Exporters Contribution	15	3,785,894	4,105,739
Regulatory Revenue	16	163,072	106,787
Coffee Development Fund	17	1,225,040	
		6,878,226	6,023,970
Revenue from Exchange Transactions			
Warehouse	18	799,387	669,823
Clearing and forwarding	19	1,044,534	1,596,219
Rental	20	642,669	459,550
Coffee Roasting Unit (CRU)	21	242,598	225,295
Other Revenue	22	858,744	314,773
		3,587,932	3,265,660
Total Revenue		10,466,158	9,289,630
Expenses:			
Administration Expenses	23	8,107,172	7,433,792
Selling and Distribution	24	1,618,834	1,735,087
Finance Charges	25	30,648	39,619
Other Expenses	26	181,888	244,905
Total Expenses		9,938,542	9,453,403
Surplus/(Deficit) for the year		527,616	(163,773)

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Gerald Geoffrey Mweli
PERMANENT SECRETARY
MINISTRY OF AGRICULTURE

Date:.....

.....
Primus Kimaryo
DIRECTOR GENERAL
TANZANIA COFFEE BOARD

Date:.....

5.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Capital Fund TZS “000”	Accumulated Surplus TZS “000”	Total TZS “000”
As at 01 July 2023		311,332	37,468,952	37,780,284
Surplus for the year		-	527,616	527,616
As at 30 JUNE 2024		311,332	37,996,568	38,307,900
As at 1 July 2022		311,332	37,270,805	37,582,136
Deficit for the year		-	(163,773)	(163,773)
Prior year adjustment			361,921	361,921
As at 30 JUNE 2023		311,332	37,468,952	37,780,284

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 Gerald Geoffrey Mweli
 PERMANENT SECRETARY
 MINISTRY OF AGRICULTURE

Date:.....

.....
 Primus Kimaryo
 DIRECTOR GENERAL
 TANZANIA COFFEE BOARD

Date:

5.4 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

		2023/24 TZS “000”	2022/23 TZS “000”
Cash flows from operating activities			
Gross Receipts			
Government Subvention (PE & OC)	14	1,704,220	1,811,444
Cash received on fees, refunds, licences, and commissions	30	3,729,641	3,844,202
Exporters Contribution	15	3,785,894	4,105,739
Cash received from coffee auction	31	223,114,159	202,308,405
		232,333,914	212,069,790
Total Receipts			
Gross Payments			
Payments for administrative expenses	30	(7,295,120)	(6,612,044)
Payments for selling and distribution expenses	24	(1,618,834)	(1,735,089)
Finance Cost	25	(30,648)	(39,619)
Other expenses	30	(109,000)	(120,100)
Payments for coffee auction	31	(213,884,205)	(196,176,912)
Total Payments		(222,937,807)	(204,683,764)
Net cash flows from operating activities		9,396,107	7,386,027
Cash flows from investing activities			
Acquisition of PPEs	9	(363,711)	(734,215)
Net cash outflows in investing activities		(363,711)	(734,215)
Cash flows from financing activities			
Net cash outflows in financing activities			
Net increase/(decrease) in cash and cash equivalents		9,032,396	6,651,812
Cash and Cash equivalents:			
At start of the year		8,371,690	1,719,878
At end of the year	5	17,404,086	8,371,690

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Gerald Geoffrey Mweli
PERMANENT SECRETARY
MINISTRY OF AGRICULTURE

Date:.....

.....
Primus Kimaryo
DIRECTOR GENERAL
TANZANIA COFFEE BOARD

Date:

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

	Original	Final	Actual	Variance	Varian ce%
	TZS'000	TZS'000	TZS'000	TZS'000	
REVENUE	TZS	TZS	TZS	TZS	
Government subvention (PE, OC & Devo)	1,506,092	1,506,092	1,704,220	(198,128)	34%
Own Sources	7,797,231	7,797,231	7,515,536	281,696	-23%
Total Revenue	9,303,323	9,303,323	9,219,756	83,568	-5%
EXPENSES					
Administration Expenses	7,493,349	7,493,349	7,295,120	198,230	265%
Selling and distribution	1,615,097	1,615,097	1,618,834	(3,736)	-23%
Finance Charges	30,577	30,577	30,648	(71)	28%
Other Expenses	164,300	164,300	109,000	55,300	25%
Total Expenses	9,303,323	9,303,323	9,053,602	249,722	
	-	-	166,154	(166,154)	

The surplus represents funds committed to cater expenditure which were supposed to be incurred in the financial year of 2023/2024 but carried over in the next financial year of 2024/2025. These expenditures were Rehabilitation of Houses and HQ premise parking area and Phase II construction of TCB Office and fencing in Dodoma.

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Gerald Geoffrey Mweli
**PERMANENT SECRETARY
MINISTRY OF AGRICULTURE**

Date:.....

.....
Primus Kimaryo
**DIRECTOR GENERAL
TANZANIA COFFEE BOARD**

Date:

5.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL INFORMATION

The Tanzania Coffee Board is a statutory organization established under section 3(1) of the Coffee Industry Act No. 23 of 2001 and its Regulations of 2003, read together with The Crops (Miscellaneous Amendments) Act of 2009.

The registered office of the Board is:

Kahawa House, Mawenzi/Railway Street,
P.O. Box 732,
Moshi, Kilimanjaro,
TANZANIA.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Board have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Board (IPSAB). The financial statements are presented in Tanzania Shilling (TZS) which is the functional and reporting currency of the Board, and all values are rounded to the nearest thousand (TZS'000). With the exception of Statement of comparison of budget and actual amounts which has been prepared on cash basis, land and investment properties have been stated at fair value, while other financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Board's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements.

(b) Changes in accounting policy and disclosures

1. New and amended standards adopted by TCB

There are no IPSASs or its interpretations that are effective for the first time for the year beginning on or after 1 July 2021 that would be expected to have a material impact on Coffee Board that have not been adopted.

2. IPSAS 41- Financial Instrument

Financial Instrument is any **contract** that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Financial asset can be cash, an equity instrument of another entity, or a contract to receive cash at a future date. For example, trade receivables, loan receivables, bonds etc. The concept is originated from IPSAS 41 which has been borrowed from IFRS-9.

Accountant General through paragraph 3.9 of the Circular No.3 of 2022/23 of the closure of financial year 2022/23 and preparation of the reports enforced all accounting officers, Chief executives, managing directors & Executive directors to adopt IPSAS 41 and in that regard **Expected Credit Loss (ECL)** should be applicable to all financial instruments/assets subject to impairment testing.

TCB has two types of financial assets which are Cash and cash equivalent and Receivables. IPSAS 41 has been adopted into financial statements by calculating Expected credit loss on Cash and cash equivalent. The computation of ECL on receivables will be done into the financial year of 2024-2025 due to unfinished process of writing off long term receivables.

3. Foreign currency translation

a) Functional and presentation currency

The Board has chosen Tanzania Shilling (TZS) to measure all items in the financial statements reflecting the fact that it is the currency of primary economic environment in which the Board operates (“the functional currency”). The financial statements are presented in Tanzania Shillings (TZS) which is the Board’s functional and presentation currency, and all values are rounded to the nearest thousands (TZS’000).

b) Transactions and balances

Foreign currency transactions are translated into the Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Monetary items dominated in foreign currency are translated with the closing rate as at the reporting date. Foreign exchange gains or losses arising from the settlement of monetary items or on translating the monetary items at the rates from those at which they were translated on initial recognition of the period or in previous financial statements are recognized in the surplus or deficit in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction and non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The exchange gain or loss from the gain or losses of non-monetary items are recognized directly to the net assets/equity.

4. Revenue recognition

The main sources of revenue of the Board are Revenue from non-exchange transactions which include Government subvention, Exporters Contribution, Directors Export Fee, and Regulatory income, and Revenue from exchange transactions which include warehouse income, clearing and forwarding income, rental income, gain on exchange rate, curing collection fee and income from coffee roasting.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Board and the revenue can be reliably measured, regardless of when payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates and Value Added Tax. Income from other sources is recognized on accrual basis of accounting only when it is probable that the economic benefits associated with the transaction will flow to the Board.

5. Property, plant and equipment (PPE) - IPSAS 17

All categories of property, plant and equipment are initially recorded at historical cost. Subsequently, the assets are stated at historical cost, less accumulated depreciation and accumulated impairment in value.

Property, plant and equipment of the Board consist of Land, Buildings, Motor vehicles, Plant and machinery, Office fixtures and furniture, Computer equipment and accessories. They are recognized in the books of account when it is probable that future economic benefits or service potential associated with an item will flow to an entity and the cost or fair value of an item can be measured reliably.

They are all initially measured at costs or fair value at the date of acquisition for those acquired through non-exchange transactions. The costs include purchase price which include import duties, non-refundable purchase taxes after deducting trade discounts and rebates, any costs incurred in bringing asset to the location and condition necessary for it to be capable of operating in the manner intended and any estimate of the costs of dismantling and removing the item and restoring the site in which it is located.

Subsequently the major renovation costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when they met recognition criteria. All other repairs and maintenance are included in the surplus or deficit of the period in which they are incurred. Below is the list of classes and applicable accounting basis.

TCB has adopted a straight/ line method for depreciation of Public Assets which is allocated systematically over the useful life of the respective assets as issued in Government Asset Guideline on 10 December 2012 and updated information on the minute sheet from DGAM with Ref. No. KA.32/370/01/96 dated 16 August 2017 and the accounting policies applicable. The depreciable amount of an asset shall be allocated on a systematic basis over its estimated

useful life. The prevailing International Standard for depreciation shall be applied over the useful life of the assets. Depreciation is calculated using the straight-line method to allocate the cost to their residual values over their estimated useful lives as follows;

Asset category	Rate p.a.
Land	0.0%
Buildings	2.0%
Computer and Desktop and laptops	25.0%
Equipment	20.0%
Furniture	20.0%
Motor vehicle light duty (below 5 tones)	20.0%

6. Carrying Amount

Property, plant and equipment are reviewed whenever events or changes in circumstances indicate the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

a. Disposal

Gains or losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the statement of financial performance.

b. Capital work in progress

Work-in-progress consists of the cost of assets, labor and other costs associated with property, plant and equipment being constructed by the University. Once the asset becomes operational, the related costs are transferred from work-in-progress to the appropriate asset category and start to be depreciated.

7. Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method; and
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Board.

8. Impairment of cash generating assets

Impairment is recognized when there are decline in future economic benefits or service potential embodied in the asset controlled by the Board. The Board assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Board estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating units' (CGU) fair value less costs to sell and its value in use. It is determined on individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. The value in use is the present value of estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

The asset is impaired when its carrying amount exceeds its recoverable amount; the carrying value shall be reduced to its recoverable amount. The reduction is an impairment loss which is recognized directly in the surplus or deficit of the year. The impairment loss on the revalued asset is recognized in the revaluation surplus to the extent that the impairment loss does not exceed the amount in the revaluation surplus of the assets.

The reversal of impairment loss is done if and only if there is change in the estimates used to determine the recoverable amount of the asset since the last impairment loss was recognized. Any reversal of the impairment loss for an asset is recognized immediately in surplus or deficit of the year while in case of revalued asset the reversal of impairment loss is recognized as increase in revaluation.

9. Financial assets

• Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Board determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Board commits to purchase or sell the asset. The

Board's financial assets include cash and cash equivalents and Trade and other receivables.

- **Subsequent measurement**

The subsequent measurement of financial assets depends on their classification;

- **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Tanzania and at various commercial banks at the end of the financial year. For the purposes of these financial statements, undeposited collections and advances if any to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

- **De-recognition of financial assets**

The Board derecognizes a financial asset or where applicable, a part of a financial asset or part of a group of similar financial assets when;

- The rights to receive cash flows from the asset have expired or is waived; and
- The Board has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either: (a) the Board has transferred substantially all the risks and rewards of the asset; or (b) the Board has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

- **Impairment of financial assets**

The Board assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a group of debtors are experiencing significant financial difficulty;
- Default or delinquency in interest or principal payments;
- The probability that debtors will enter bankruptcy or other financial reorganization; and
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. Changes in arrears or economic conditions that correlate with defaults)

- **Financial assets carried at amortized cost**

For financial assets carried at amortized cost, the Board first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Board determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

a. Financial Liabilities

- **Initial recognition and measurement**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Board determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The Board's financial liabilities include Current portion of the long-term loan, and trade and other payables.

- **Subsequent measurement**

The measurement of financial liabilities depends on their classification.

- **Long term loans**

The long-term loans are initially measured at fair value plus the transactions. They are subsequently measured at amortized costs using the effective interest method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate

- **De-recognition of financial liabilities**

A financial liability is derecognized when;

- The obligation under the liability is discharged or cancelled or expires; and
- When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

10. Provisions

Provisions are recognized when the Board has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

11. Entities That Directly, Or Indirectly Through One Or More Intermediaries, Control, Over Controlled By TCB

During the period under review, TCB had both operating and/or financial relationships with Government entities, including the Treasury. TCB also worked with other Government institutions including the Cotton Board, Tanzania Electric Supply Company Ltd, Moshi Urban Water supply and Sanitation Authority (MUWSA), the Government Procurement Services Agency (GPSA), Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA), and SUMA JKT involved in construction of the Board Building in Dodoma TaCRI.

TCB is a public institution wholly owned by the Government, and therefore, there is no individual owning the institution either directly or indirectly. The Government has commissioned the affairs of TCB to the TCB Board of Directors, which manages the daily activities through the Key Management personnel, including the Director General, the Director of Coffee Quality and Promotion, the Director of Coffee Development and the Director of Corporate Services.

a. Key management personnel and close members of the family of key management personnel

TCB encourages the employment of key management personnel on merit and shuns away from favoritisms or nepotism.

The key management personnel include the Members of the Board, the Director General, the Director of Coffee Quality and Promotion, the Director of Coffee Development and the Director of Corporate Services.

During the year under review, the remuneration of the key management personnel amounted to TZS 528,910 million (2022: TZS 171,320 million). The key management personnel had no loans with either TCB or commercial banks. The remuneration with the personnel is as shown in the table below: -

Remuneration of the key management personnel for the year 2023/24

Description	2023/24	2022/23
	TZS	TZS
	"000"	"000"
Salaries and allowances	473,910	107,320
Directors' Fees	<u>55,000</u>	<u>64,000</u>
Total	<u>528,910</u>	<u>171,320</u>

b. Budget Information

The annual budget is prepared on an accrual basis; that is, all planned costs and income are presented in a single statement to determine the needs of the Board. As a result of the adoption of the accrual basis for budgeting purposes, a separate additional financial statement of comparison of budget and actual amounts is prepared and explanatory comments are provided in the case of variations; first, the reasons for overall growth or decline in the budget are stated, followed by details of overspending or underspending online items

12. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

a. Judgments

In the process of applying the Board's accounting policies, management has made judgments which have the most significant effect on the amounts recognized in the financial statements.

b. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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 described below. The Board based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Board. Such changes are reflected in the assumptions when they occur.

c. Useful life of Property, Plant, Equipment and Intangible assets

Critical estimates are made by the Directors in determining the useful lives of Plant, property and equipment and their residual values). However, the Management is aware of the applicable Circulars issued by ACGEN on the useful lives supposed to be applied and same has been implemented.

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Board;
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- The nature of the processes in which the asset is deployed;
- Availability of funding to replace the asset; and
- Changes in the market in relation to the asset.

d. Impairment of non-financial assets - cash-generating assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to possible that the assumptions may change, which may then impact management's estimations and require a material adjustment to the carrying value of tangible assets.

e. Credit risk

Credit risk is the risk of financial loss to the Board if customers or counterparties to financial instruments fail to meet their contractual obligations, and it arises principally from the Board's trade and other receivables, and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 30 June 2024 was as follows:

	30 June 2024	30 June 2023
	TZS'000	TZS'000
Bank Balances	17,404,087	8,371,690
Trade and Other Receivables	10,434,128	7,333,766
Maximum exposure to credit risk	27,838,215	15,705,456

No collateral is held for any of the above assets and no receivables have had their terms renegotiated.

Trade receivables aging analysis is analyzed below:

Details	Less than 1 year	Between 1 year and 2	Between 2 years and 5	Over 5 years
	TZS'000	TZS'000	TZS'000	TZS'000
At 30 June 2024				
Trade and other receivables	7,480,997.12	1,110,059.31	481,127.31	1,361,944.55
At 30 June 2023				
Trade and other receivables	5,346,916	-	780,220	1,206,630

f. Liquidity risk

Liquidity risk is the risk of the Board not being able to meet its obligations as they fall due. The Board's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Board's reputation.

The Board ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts. Generally, Receivables are settled within 30 days after the due date and payables are settled within 30 days of invoice.

The following are contractual liabilities as at 30 June 2024

	<i>Less</i>		<i>Above</i>
	<i>than 1 year</i>		<i>1 year</i>
At 30 June 2024	TZS'000		TZS'000
Borrowings	-		-
Trade and other payables	16,572,010.60		7,102,290.26
At 30 June 2023			
Trade and other payables	11,430,209		585,652

Management monitors budgets of the Board's liquidity reserve on the basis of expected cash flows

5.7 NOTES TO THE FINANCIAL STATEMENTS

5. CASH AND CASH EQUIVALENTS

	30 JUNE 2024	30 JUNE 2023
	TZS “000”	TZS “000”
Cash on hand	607	1,055
Cash at bank (Note a)	17,403,479	8,370,635
	<u>17,404,086</u>	<u>8,371,690</u>
Less: Provision for Loss on financial asset -ECL	198,113	180,905
	<u>17,205,973</u>	<u>8,190,785</u>

Note a - Bank Balances

BoT USD & TZS Accts	939,168	97,394
CRDB Coffee Proceeds Acct No. 01J1038896702,02J1038998900, and 02J1038998901	9,366,650	1,726,705
CRDB Other Accounts No 903, 707, 708, 709 and 710	877,325	347,782
NMB USD and TZS Account	6,209,003	6,184,627
NBC Ltd Acc No. 17103002621	11,333	14,127
	<u>17,403,479</u>	<u>8,370,635</u>

6. TRADE AND OTHER RECEIVABLES

	30 JUNE 2024	30 JUNE 2023
	TZS “000”	TZS “000”
Trade Receivables from Exchange Transactions	3,329,177	4,524,858
Staff Debtors	164,190	175,905
Other Receivables	7,013,526	2,705,767
	<u>10,506,893</u>	<u>7,406,530</u>
Less: Provision for doubtful debts	<u>(72,764)</u>	<u>(72,764)</u>
	<u>10,434,129</u>	<u>7,333,766</u>

7. INVENTORIES

	30 JUNE 2024 TZS “000”	30 JUNE 2023 TZS “000”
General stocks	19,741	63,107
Stock of raw materials	<u>193,322</u>	<u>12,876</u>
	<u>213,063</u>	<u>75,983</u>

The fair value of the investment properties at the end of the year have been shown below;

8. INVESTMENT PROPERTIES

	30 JUNE 2024 TZS “000”	30 JUNE 2023 TZS “000”
As at 1st July 2023	12,543,794	12,165,102
Additions during the year:		
Cash		607,437
Non-Cash	222,858	
Depreciation	<u>(269,058)</u>	<u>(228,745)</u>
As at 30th June 2024	<u>12,497,594</u>	<u>12,543,794</u>

Investment Property is the Board’s building located at Moshi Municipal in Kilimanjaro region, the building is partly held to earn rentals (Investment Property) and partly used for administrative purpose (PPE) and that, Investment property is subsequently measured at revalued amount.

9. PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Motor Vehicles	Plant & Machinery	Furnitures and Fixtures	Office Equipment	Computer	Total
	TZS “000”	TZS “000”	TZS “000”	TZS “000”	TZS “000”	TZS “000”	TZS “000”	TZS “000”
Cost / Valuation								
At 1st July 2023	17,416,098	4,461,856	565,194	221,545	212,084	228,112	135,161	23,240,050
Additions			283,212		6,000	26,281	48,218	363,711
Additions - non cash				-	-	-		-
Adjustments								-
At 30 June 2024	17,416,098	4,461,856	848,406	221,545	218,084	254,393	183,379	23,603,761
Accumulated Depreciation								
At 1 July 2023	-	(984,972)	(300,878)	(51,343)	(114,348)	(126,444)	(45,958)	(1,623,943)
Charge for the period	-	(89,237)	(120,134)	(14,770)	(41,456)	(28,140)	(19,459)	(313,196)
At 30 June 2024	-	(1,074,209)	(421,012)	(66,113)	(155,804)	(154,584)	(65,417)	(1,937,138)
Net book value								
As at 30 June 2024	17,416,098	3,387,647	427,394	155,432	62,281	99,809	117,962	21,666,623

	Land	Building	Motor Vehicles	Plant & Machinery	Furnitures and Fixtures	Office Equipment	Computer	Total
	TZS “000”	TZS “000”	TZS “000”	TZS “000”	TZS “000”	TZS “000”	TZS “000”	TZS “000”
Cost / Valuation								
At 1st July 2022	17,296,343	4,107,795	565,194	221,545	193,335	170,034	85,210	22,639,456

Controller and Auditor General

AR/PA/TCB/2023/24

9. PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Motor Vehicles	Plant & Machinery	Furnitures and Fixtures	Office Equipment	Computer	Total
Additions	-				18,749	58,078	49,951	126,778
	119,755	354,060						473,815
Additions - non cash				-	-	-		
Revaluation gain	-	-		-	-	-		-
At 30 June 2023	17,416,098	4,461,856	565,194	221,545	212,084	228,112	135,161	23,240,050
Accumulated Depreciation								
At 1 July 2022	-	(914,015)	(234,799)	(36,573)	(93,689)	(88,996)	(21,303)	(1,389,374)
		(70,957)					(24,655)	(234,568)
Charge for the period	-		(66,079)	(14,770)	(20,659)	(37,448)		
		(984,972)					(45,958)	(1,623,942)
At 30 June 2023	-	(984,972)	(300,878)	(51,343)	(114,347)	(126,444)	(45,958)	(1,623,942)
Net book value								
As at 30 June 2023	17,416,098	3,476,884	264,316	170,202	97,737	101,668	89,203	21,616,108

10. INTANGIBLE ASSETS

	SAGE Evolution	Auction System	Total
2023-2024	TZS “000”	TZS “000”	
Cost / Valuation			
At 1 st July 2023	48,790	57,677	106,467
Additions			
At 30 June 2024	48,790	57,677	106,467
Accumulated Amortization			
At 1 July 2023	27,880	32,558	60,438
Charge for the period	6,970	8,240	15,210
At 30 June 2024	34,850	40,798	75,648
Net book value			
As at 30 June 2024	13,940	16,879	30,819

	SAGE Evolution	Auction System	
2022-2023	TZS “000”	TZS “000”	
Rate/ Useful Life	7	7	
Cost / Valuation			
At 1 July 2022	48,790	57,677	106,467
Additions	-	-	-
Revaluation gain	-	-	-
At 30 June 2023	48,790	57,677	106,467
Accumulated Amortization			
At 1 July 2022	20,910	24,319	45,229
Charge for the period	6,970	8,240	15,210
At 30 June 2023	27,880	32,558	60,438
Net book value			
As at 30 June 2023	20,910	25,119	46,029

***Intangible assets are amortized over the useful economic life and assessed for impairment annually whether there is any indication that the intangible asset may be impaired.

11. TRADE AND OTHER PAYABLES

	30 JUNE 2024	30 JUNE 2023
	TZS “000”	TZS “000”
Trade Payables		
Mbeya District Council		
Ileje District Council	-	175
Muleba District Council	14,989	26,973
Karagwe District Council	350,232	54,872
Misenyi District Council	101,608	10,117
Kyerwa District Council	845,293	146,504
Bukoba Municipal Council	1,514	5,835
Ngara District Council	20,408	4631.2583
Tarime District Council	15,024	15024.36
Bukoba District Council	111,468	1921.26889
Biharamulo District Council		
Trade Creditors Account	10,434,125	1,915,769
Other Creditors	11,595,789	9,742,651
TaCRI - Research Cess	-	12,140
Deferred Rental Income	183,851	79,248
Total Trade Payables	23,674,301	12,015,861

	30 JUNE 2024	30 JUNE 2023
	TZS “000”	TZS “000”
Trade Creditors	10,434,125	1,915,769
District Councils (Cess)	1,460,536	266,053
Other Creditors	11,779,640	9,834,039
Total Sundry Payables	23,674,301	12,015,861

***District Councils cess are the levies charged by District Councils in Kagera Region. Tanzania Coffee board collects the amounts on behalf of districts.

12. PROVISIONS AUDIT FEES		
	30 JUNE 2024	30 JUNE 2023
	TZS “000”	TZS “000”
Audit	66,000	10,320
	66,000	10,320

13. CAPITAL FUND		
	30 JUNE 2024	30 JUNE 2023
	TZS “000”	TZS “000”
Capital Fund	311,332	311,332

14. GOVERNMENT SUBVENTION		
	30 JUNE 2024	30 JUNE 2023
	TZS “000”	TZS “000”
Personal Emoluments	1,704,220	1,511,444
Capital Development Grant	-	300,000
	1,704,220	1,811,444

15. EXPORTERS CONTRIBUTIONS		
	30 JUNE 2024	30 JUNE 2023
	TZS “000”	TZS “000”
Gross Revenue	3,785,894	4,105,739
	3,785,894	4,105,739

Exporters' contributions to the Tanzanian coffee industry refer to a mandatory levy imposed on coffee exporters, amounting to **0.775%** of the total sales value of clean coffee exported. These funds are essential for supporting the operations of the **Tanzania Coffee Board (TCB)**.

The contributions collected through this levy play a critical role in ensuring the effective functioning and sustainability of the coffee industry. They help fund key activities such as

quality control, certification, and market promotion. Additionally, the funds support research, training, and capacity-building programs aimed at improving the overall quality of coffee production in Tanzania.

Exporters' contributions are a vital component of the regulatory framework of the Tanzanian coffee industry. They ensure that the industry operates smoothly, benefiting both exporters and coffee farmers by enhancing the quality of coffee, promoting the industry globally, and supporting sustainable farming practices.

16. REGULATORY REVENUE		
	30 JUNE 2024	30 JUNE 2023
	TZS “000”	TZS “000”
Dar Es Salaam Branch	97,980	65,160
Tanga Branch	65,092	41,627
Gross Revenue (Tanga and Dar es Salaam)	163,072	106,787

Regulatory revenue is generated from a fee charged to customers who wish to export coffee internationally. The Dar es Salaam and Tanga branches issue a certificate, known as the International Coffee Organization (ICO) Certificate, to customers upon payment of this fee. The ICO Certificate, provided by the Tanzania Coffee Board, helps facilitate the smooth export of coffee by ensuring it meets the necessary quality and regulatory standards required by importing countries. The certificate may also include important details such as the coffee's origin, quantity, and grade, contributing to greater transparency in the global coffee trade

17. REVENUE FROM COFFEE DEVELOPMENT FUND		
	30 JUNE 2024	30 JUNE 2023
	TZS “000”	TZS “000”
Gross Revenue	1,225,040	-
	1,225,040	-

18. WAREHOUSE AND GODOWN REVENUE		
	30 JUNE 2024	30 JUNE 2023
	TZS “000”	TZS “000”
Dar Es Salaam Branch	301,061	340,433
Tanga Branch	498,326	329,390
Gross Revenue (Tanga and Dar es Salaam)	799,387	669,823

Warehouse and godown revenue is generated from fees charged to customers who store coffee in warehouses located in Tanga and Dar es Salaam, in preparation for export. The TCB branches in Tanga and Dar es Salaam offer a variety of warehouse and godown services, including handpicking, loading and offloading, bulking, blowing, paper crafting, and marking. In exchange

for these services, a nominal fee is charged to customers. These services ensure that the coffee is properly processed and prepared for export, helping to maintain the efficiency and smooth operation of the export supply chain.

19. CLEARING AND FORWARDING REVENUE		
	30 JUNE 2024	30 JUNE 2023
	TZS “000”	TZS “000”
Dar Es Salaam Branch	783,366	1,379,352
Tanga Branch	261,168	216,867
Gross Revenue (Tanga and Dar es Salaam)	1,044,534	1,596,219
20. RENTAL REVENUE		
	30 JUNE 2024	30 JUNE 2023
	TZS “000”	TZS “000”
Rental Income - From Private Entities	568,640	233,601
Rental Income - From Government Entities	74,029	225,949
	642,669	459,550
21. REVENUE FROM COFFEE ROASTING UNIT		
	30 JUNE 2024	30 JUNE 2023
	TZS “000”	TZS “000”
Gross Revenue	242,598	225,295
	242,598	225,295

Coffee Roasting Unit (CRU) is a unit within Tanzania Coffee Board which deals with promotion as well as marketing of Tanzanian roasted coffee within the country, the amount represents the total collection from this unit for the year ended 30 June 2024.

22. OTHER REVENUE		
	30 JUNE 2024	30 JUNE 2023
	TZS “000”	TZS “000”
Gain/ (Loss) on Exchange rate	357,584	13,417
Curing Charges Commission	405,303	85,670
Receipts from Training and Examination Fees	22,459	

Income Received from TCDTF	-	155,263
Sample charges, Local roast, import fees and conference fees	73,398	60,423
	858,744	314,773

23. ADMINISTRATIONS EXPENSES

	30 JUNE 2024	30 JUNE 2023
	TZS "000"	TZS "000"
Depreciation	313,196	234,568
Donations and Condolence	18,800	9,432
Gift and Prizes	143,848	36,138
Office consumables	149,490	150,442
Computer supplies and accessories	5,492	39,373
Newspapers and Magazines	3,373	2,078
Printing and photocopying	124,594	6,841
Outsourcing Costs	985,577	1,523,804
Petrol	214	2,288
Diesel	177,413	179,531
Conference Facilities	4,185	7,428
Internet and Email connections	73,514	36,416
Posts and Telegraphs	18,932	16,998
Telephone Charges to Government Entities	3,663	2,764
Fertilizer	6,286	7,800
Mobile Charges	29,699	31,848
Publicity	11,799	3,072
Remuneration of instructors	2,730	18,209
Entertainment	156,122	95,898
Agricultural Chemicals	-	399
Plumbing Supplies and Fixtures	23,933	44,287
Insurance Expenses	51,086	52,949
Electrical and Other Cabling Materials	39,599	12,021
Motor Vehicles and Watercraft	85,167	63,675
Tyres and Batteries	22,663	18,115
Mechanical electrical and electronic spare parts	25,648	17,529

Computers printers scanners and other	3,015	4,587
Legal Unit	9,793	856
Consultancy fees	12,175	35,220
Field allowance	95,373	110,904
Honoraria	85,808	120,760
Air travel tickets domestic	19,792	57,254
Per Diems-Domestic	946,493	788,741
Subsistence allowance	1,916	42,048
Responsibility allowance	155,048	85,434
Laboratory supplies	50	
Special Uniforms and Clothing	15,577	9,050
Special Allowance	261,027	374,247
Telephone Allowance		
Taxes Levied by another Level of Government	41,356	48,170
Sundry Expenses	3,724	8,455
Professional allowance	20,750	75,065
Tuition Fees	60,106	7,428
Books and Reference	1,820	
Visa application fees	2,413	589
Court Attire	1,000	500
Paint and Weather Protection	1,838	
Roofing Materials	101,867	8,024
Research and Dissertation	957	3,500
Household appliance	4,420	3,800
Furniture	23,154	
Staff costs (Note 23a)	3,310,059	2,672,817
Water Charges	32,431	40,160
Fumigation	7,066	60
Outsource Maintenance Contract Services	1,241	
Electricity	70,860	73,245
Contribution to CF	48,000	
Laundry and Cleaning	62	984
Seedling	-	-
Other Gas	5,550	4,036
Amortization	15,210	15,210
Hardship Allowance	1,140	
Depreciation of Investment property	269,058	228,745
	8,107,172	7,433,792

(a) STAFF COSTS	30 JUNE 2024	30 JUNE 2023
	TZS "000"	TZS "000"
Acting Allowance	22,977	31,596
WCF Employer	69,277	
NHIF & PSSSF employers' contribution	249,410	230,620
Gratuities	5,512	1,854
Extra Duty	430,202.	286,340.50
Risk Allowance	1,050	
Sitting allowance	163,582	94,828
Housing allowance	218,270	141,604
Leave Travel	13,614	22,938
Food and Refreshments	140,040	161,664
Special Foods HIV/AIDS	-	100
Uniforms	-	6,884
Medical and Dental Refunds	5,795	17,752
Training Allowances	-	13,005
Transport Assistance	282,889	197,480
Ground travel	141,010	114,478
Accommodation	836	
Civil Servants Salaries	1,385,534	1,281,006
Training Materials	23,475	3,766
Moving Expenses	27,539	20,115
Non-Civil Servants Contracts	129,047	46,786
	3,310,059	2,672,817

24. SELLING AND DISTRIBUTION COSTS

	30 JUNE 2024	30 JUNE 2023
	TZS "000"	TZS "000"
Subscription Fees	107,790	47,676
Subscription to other International Institutions	8,560	170,147
Educational Radio and TV broadcasting	10,500	
Exhibition Festivals and Celebrations	126,581	95,613
Air Travel Tickets foreign	83,070	49,097
Per Diems-Foreign	155,057	73,395
Rent - Office Accommodation	5,784	14,770
Agricultural Implements	9,689	131,862
CRU Sales expenses	209,412	189,151
Advertising and Publication	18,590	12,470
Casual Labours	473,729	642,013
Tents and Camp Equipment	7,272	
Cement Bricks and Building Materials	71,816	73,239
Warehousing	330,986	235,654

1,618,836

1,735,087

25. FINANCE CHARGE

	30 JUNE 2024 TZS “000”	30 JUNE 2023 TZS “000”
Bank Charges and Commissions	30,648	39,619
	30,648	39,619

26. OTHER EXPENSES

	30 JUNE 2024 TZS “000”	30 JUNE 2023 TZS “000”
Audit Fees Paid to CAG	109,680	-
Director's Fees	55,000	64,000
ECL on Cash and Cash Equivalents	17,208	180,905
	181,888	244,905

27. RELATED PARTIES TRANSACTIONS

	30 JUNE 2024 TZS “000”	30 JUNE 2023 TZS “000”
Salaries and Allowances	473,910	107,320
Pension		
Directors' fees	55,000	64,000
Total	528,910	171,320

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. A related party relationship exists between TCB and the key management team and members of the Board of Directors.

- CAPITAL COMMITMENTS**

Regulation No. 21 (2) of Budget Regulation 2015 requires unliquidated contractual commitments (LPOs) issued for Services/Goods during the year and for which delivery of goods or performance of services have not been done as at the end of financial year to be carried forward to the next financial year in which payments will be made after Goods/Services have been received.

As at 30 June 2024 the Board had unliquidated commitments (Open LPOs) for construction of Njedengwa Investment project which was finalized during the financial year 2023/2024 and the completion certificate was handled.

- **OWNER OF THE BOARD**

The Government of the United Republic of Tanzania is the ultimate owner of the Tanzania Coffee Board.

- **EVENTS AFTER REPORTING PERIOD**

These are events which occur between the reporting date and the date when the financial statements are approved for issue. These events may require adjustments depending on whether conditions existed at the reporting date or after the reporting date. There were no other events after the reporting period which require adjustment or disclosure in the financial statements.

- **AUTHORIZATION FOR AUDIT**

The financial statements of the Board have been authorized for audit by the Permanent Secretary of the Ministry of Agriculture in August 2024.

28. RECONCILIATION BETWEEN SURPLUS/DEFICIT PER STATEMENT OF BUDGET AND ACTUAL TO THAT OF STATEMENT OF FINANCIAL PERFORMANCE

The budget and the accounting bases differ. The financial statements of the Tanzania coffee Board are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget. Re-casted amounts are as follows:

RECONCILIATION BETWEEN SURPLUS/DEFICIT PER STATEMENT OF BUDGET AND ACTUAL

Item	Final Budget TZS “000”	Statement of financial Performance (A) TZS “000”	Reconciling items(B)		Statement of budget Vs actual (and cash flow statement) (A)+ or -(B) TZS “000”
			DR(+) TZS“000”	CR(-) TZS“000”	
PE, OC & DEV.	1,506,092	1,704,220		-	1,704,220
Own Source	7,797,231	8,761,938		1,246,402.86	7,515,536
Administration expenses	7,493,349	8,107,172		812,052	7,295,120
Selling and Distribution	1,615,097	1,618,834		0	1,618,834
Finance Charges	30,577	30,648	0	0	30,648
Other Expenses	164,300	181,888	10,320	83,208	109,000

Details for the reconciling items

- Non-cash items Gain/(Loss) Loss on Exchange Transactions TZS 357.584 million for the year under review. Net movement of receivables of TZS 888.82 million during the year.
- Non-cash items Depreciation of Tangible Asset Note 23 TZS 582.254 million and amortization of Intangible Asset Note 23TZS 15.21 million.Net movement of payables TZS 214.59 million.
- Movement in other expenses was caused by provision of audit fees of TZS 66 million and ECL of TZS 17.2 million-

➤ EXPLANATION FOR THE DIFFERENCE BETWEEN BUDGET AND ACTUAL

- **Revenue**

Government Subvention the difference of TZS 198.128 million is due to dummy deductions increased (NHIF, PSSSF and WCF)

Own Source difference of TZS 281.70 million is due to decrease in coffee production.

- **Expenditure**

The difference of TZS 198.23 million under Administration Expenses is due to seedlings production and its related transactions were shifted to Coffee Development Fund expenses.

The difference of TZS 3.74 million under Selling and Distribution is due to increase in the promotion activities and clearing and forwarding of coffee at branch levels.

29. RECONCILIATION OF DIFFERENCES BETWEEN DEFICIT /SURPLUS ON THE STATEMENT OF FINANCIAL PERFORMANCE AND THE NET CASH FLOW FROM OPERATING ACTIVITIES

CASHFLOW FROM OPERATING ACTIVITIES	30-Jun-24	30-Jun-23
DESCRIPTION	AMOUNT IN TZS '000	AMOUNT IN TZS '000
Surplus/(Deficit) for the year	527,617	-163,775
ADJUSTMENT OF NON-CASH ITEMS		
Depreciation Charges for the year Note 32	582,254	463,313
Amortization of Intangible assets for the year	15,210	15,210
Gain /(Loss) on Exchange	(357,584)	(13,417)
Expected credit Loss - Cash and Cash Equivalent	17,208	180,905
CRU Noncash deposit paid by HQ	246,086	(210,678)
CHANGES IN WORKING CAPITAL		
(Increase)/Decrease in Trade and Other Receivables	(3,100,363)	(3,530,017)
Increase/(Decrease) in Trade and other Payables	11,658,440	10,617,730

(Increase)/Decrease in Inventory	(137,080)	(29,344)
Increase/(Decrease) in Provisions	(55,680)	56,100

Net Cashflow from operating activities	9,396,107	7,386,027
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30. CASH FLOW RECONCILIATION

RECEIPTS

OTHER OWN SOURCE REVENUE	30 JUNE 2024		30 JUNE 2023
	TZS “000”		TZS “000”
Regulatory Revenue	163,072		106,787
Warehouse and Godown Revenue	799,387		669,823
Clearing and Forwarding Revenue	1,044,534		1,596,219
Rental Revenue	642,669		459,550
Revenue from Coffee Roasting Unit	242,598		225,295
Other Revenue	858,744		314,773
Less: Exchange Gain or Loss	(357,584)		(13,417)
Add: Receivable 2022/2023	1,387,788		1,872,960
Less: Receivable 2023/2024	(1,051,567)		(1,387,788)
Total	3,729,641		3,844,202

ADMINISTRATION EXPENSES

Administrative Expenses	8,107,172		7,433,792
Less: Amortization of Intangible Asset for the year	(15,210)		(15,210)
Less: Depreciation charge for the year	(582,254)		(463,313)
Add: Payable 2022/2023	678,536		335,310
Less: Payable 2023/2024	(893,125)		(678,536)
Total	7,295,120		6,612,044

OTHER EXPENSES

Other Expenses	181,888		244,905
Less: Loss on Financial asset -ECL	(17,208)		(180,905)
Add: Provision 2022/2023	10,320		66,420
Less: Provision 2023/2024	(66,000)		(10,320)
Total	109,000		120,100

➤ **PROCEEDS AND PAYMENT ON COFFEE AUCTION**

Part II sect 5(2d) of the Tanzania Coffee Industry Act of 2001(revised in 2009) has given mandate to TCB to conduct coffee auctions, however the proceeds and payment relating to coffee auctions do not form part of TCB revenue and expenses hence do not qualify to be included in

the statement of financial performance, since the cash, receivable and payable balances of coffee auction affairs are managed by TCB and included in the Statement of Financial position it necessitates that cash balance, proceeds and payment for coffee auction to be included in the Statement of Cash flow.

Table below shows coffee auction proceeds and payments:

31. PROCEEDS AND PAYMENT OF COFFEE AUCTION

DESCRIPTION

30 JUNE 2024

30 JUNE 2023

RECEIPTS

TZS “000”

TZS “000”

Coffee Proceeds received from Coffee Auction

226,550,741.35

206,323,596.25

Unreconciled Items

-

32,839.39

Add: Receivable 2022/2023

6,018,742.19

2,003,552.00

Less: Receivable 2023/2024

(9,455,324.56)

(6,018,742.19)

Total Receipts

223,114,158.98

202,341,245.45

PAYMENTS

Payments for coffee Auction

225,328,055.95

206,451,416.07

Add: Payable 2022/2023

11,337,325.00

1,062,821.00

Less: Payables 2023/2024

(22,781,176)

(11,337,325)

Total payments

213,884,204.75

196,176,912.09

Net receipts

9,229,954.23

6,164,333.37

Bank balance (900)

346,060.39

267,765.78

Bank balance (901)

450,377.58

412,957.55

CRDB coffee proceeds TZS - Kagera

5,947,645.58

1,045,981.72

NMB Expenditure TZS

2,485,870.68

4,437,628.32

9,229,954.23

6,164,333.36

32. DEPRECIATION		
	30 JUNE 2024	30 JUNE 2023
	TZS “000”	TZS “000”
Depreciation for PPE	313,196	234,568
Depreciation for Investment Property	269,058	228,745
	582,254	463,313

33. INTER GOVERNMENT ENTITY TRANSACTIONS

NAME OF ENTITY PROVIDED GOODS/SERVICES	GOODS PROVIDED	2024 TZS “000”		2023 TZS “000”	
		AMOUNT	BALANCES	AMOUNT	BALANCES
Electricity	TANESCO	68,384	299	41,093	-
MUWASA DUWASA AUWSA DAWASCO	Water User Fee	32,430	-	36,068	1,832
GPSA	Fuel and consumables	384,248	-	127,958	-
NIC	Insurance	47,917	-	59,479	-
eGA	Bill dispatch	25,891	672	1,548	-
T.T.C.L	Internet & Telephone Fees	76,197	-	10,271	819
TRA	PAYE & Withholding Tax	20,130	35,933	356,368	39,861
Suma JKT	Building Construction	87,657	592	522,386	-
Tanzania Cotton Board	Rent				
TEMESA	Consumables	333,914,238 6,835			
		334,663,927	37,496	1,155,171	42,512
NAME OF ENTITY PROVIDED GOODS/SERVICES	GOODS RECEIVED	AMOUNT	BALANCES	AMOUNT	BALANCES
Medical Stores Department - MSD	Rent			333,435	91,849
Sugar Board of Tanzania - SBT	Rent	151,632			
Tanzania Standard Newspapers - TSN	Rent	5,890	5,743		
Tanzania Fertilizer Regulatory Authority - TFRA		55,510	99,683		
MUWASA DUWASA AUWSA DAWASCO	Water User Fee				
GPSA	Fuel and consumables				-
		213,032	105,426	333,435	91,849