



THE UNITED REPUBLIC OF TANZANIA



NATIONAL AUDIT OFFICE

SUGAR BOARD OF TANZANIA

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

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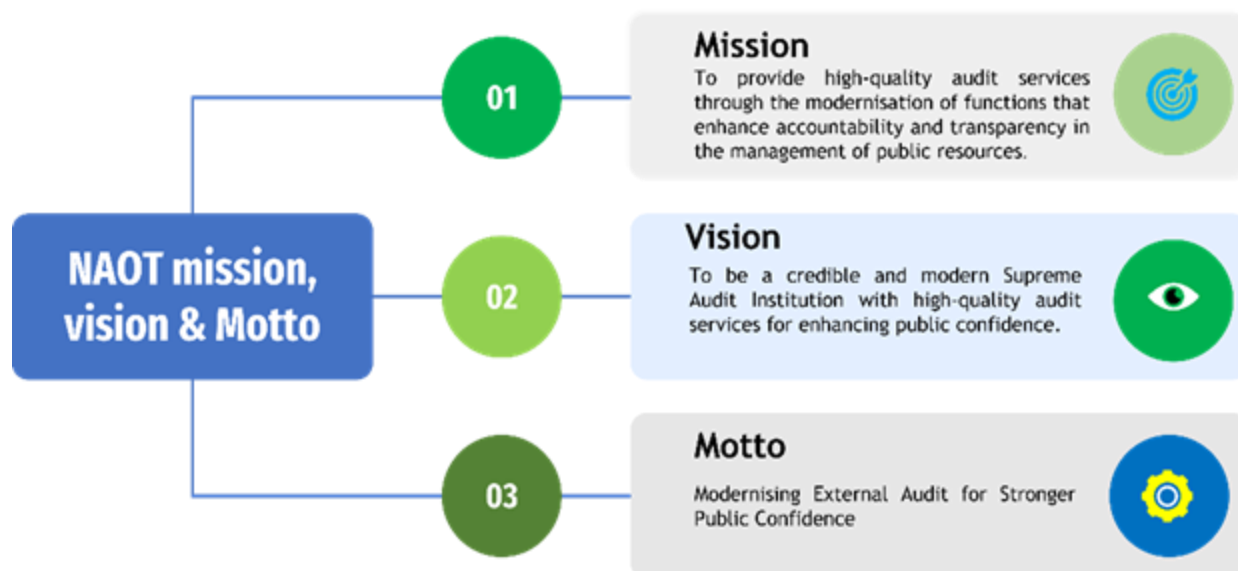
March 2024

AR/PA/SBT/2022/23

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.

© This audit report is intended to be used by Sugar Board of Tanzania and may form part of the annual general report, which once tabled to National Assembly, becomes a public document; hence, its distribution may not be limited.

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Abbreviations

AMCOS	Agriculture Marketing Cooperative Societies
CAG	Controller and Auditor General
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
McP	Mill cum Planter
MT OG	Metric Tons Out growers
PAR	Public Audit Regulation
PPA	Public Procurement Act
PPR	Public Procurement Regulations
SBT	Sugar Board of Tanzania
SUDECO	Sugar Development Cooperation
TAC	Technical Advisory Committee
TUICO	Tanzania Union of Industrial and Commercial Workers.

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Director General,
Sugar Board of Tanzania,
Sukari House, Sokoine Drive/Ohio Street,
P.O. Box 4355,
Dar es Salaam.
TANZANIA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Sugar Board of Tanzania, which comprise the statement of financial position as at 30 June 2023, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Sugar Board of Tanzania as at 30 June 2023, 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 Sugar Board of Tanzania in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

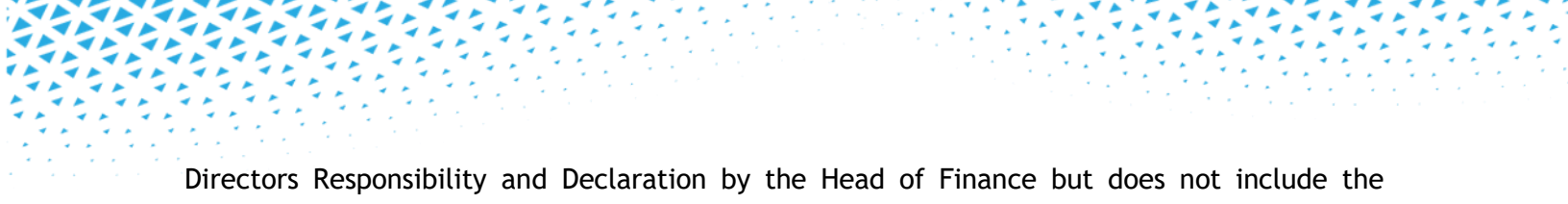
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Other Information

Management is responsible for the other information. The other information comprises the Report of those charged with Governance, Report on Sugar Industry Performance, Statement of



Directors Responsibility and Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Further, Section 48(3) of the Public Procurement Act, Cap 410 [R.E 2022] requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on the procurement of works, goods, and services of Sugar Board of Tanzania for the financial year 2022/23 as per the Public Procurement laws.

Conclusion

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

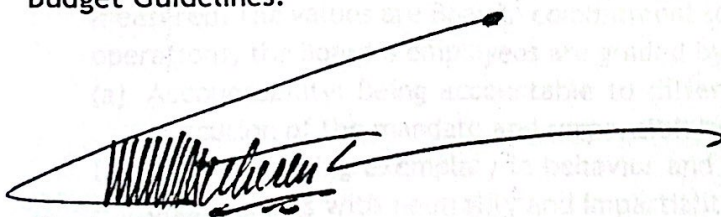
1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

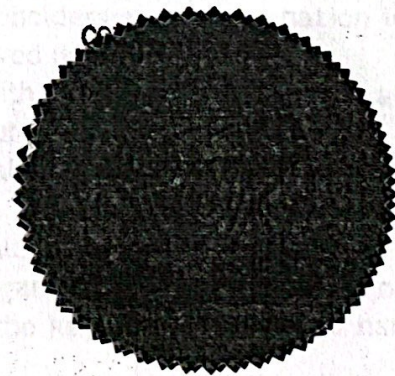
I performed a compliance audit on budget formulation and execution of Sugar Board of Tanzania for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of Sugar Board of Tanzania 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 2024



2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE

BACKGROUND

Sugar Board of Tanzania (SBT) was established under Section 3 of the Sugar Industry Act No. 26 of 2001 which came into operation on 01 July 2003. To enable the SBT to commence its business, it took over the assets and liabilities of the defunct Sugar Development Corporation (SUDECO) on 01 July 2003. The objective of SBT is to provide regulatory and development functions for the Sugar Industry in Tanzania.

In compliance with the Tanzania Financial Reporting Standard No. 1 for Report by Those Charged with Governance, the Directors submit their report together with the financial statements for the year ended 30 June 2023, which disclose the operation results and the state of affairs of the Sugar Board of Tanzania.

2.1 THE CORPORATE OUTLOOK

2.1.1 Vision

The vision of SBT is to sustain growth of the Sugar Industry in Tanzania.

2.1.2 Mission

To provide effective and innovative Regulatory and Development Services to the Sugar Industry.



2.1.3 Core Values

The SBT core values represent moral boundaries within which the Board operates. They define personality and ethical standards by which the Board's employees would be measured. The values are Boards' commitment to its stakeholders. Therefore, in day-to-day operations, the Board's employees are guided by the following core values:

- (a) Accountability: Being accountable to different stakeholders and to the nation in the execution of the mandate and responsibilities bestowed upon the Board.
- (b) Integrity: Being exemplary in behavior and acting with honesty and fairness in all our undertakings with neutrality and impartiality, without fear or favor.
- (c) Transparency: The Board and its stakeholders shall work to ensure that there is availability of information which is deemed public.
- (d) Innovativeness: The Board and its stakeholders shall be dynamic and come up with innovative ideas to address the challenges in the sugar industry and capitalize on the available opportunities for improved livelihood of the key stakeholders and national income.
- (e) Customer focus: To be driven by customer needs and expectations in all operations to produce acceptable results of which they could prove as significant positive changes.
- (f) Teamwork: Upholding teamwork and collaboration among key stakeholders of sugar industry to realize the synergies of working together.

2.1.4 The Culture Statement

The SBT culture is driven by customer needs and expectations in all operations to produce acceptable results of which they could prove as significant positive changes by meeting and/or exceeding their expectations through competent and highly motivated employees who work collaboratively as a team, support one another, and fetch the best results in all undertakings on services within SBT mandates as provided by the Sugar Industry Act, CAP 251.

2.2 NATURE OF OPERATIONS

Sugar Board of Tanzania (SBT) as the Government body vested with the mandate to regulate and develop the Sugar Industry in Tanzania was established under Section 3 of the Sugar Industry Act. No. 26 of 2001. The Board is also responsible for sustainable development of the Sugar Industry as well as achievement of sugar self-sufficiency and surplus for exports.

The management and operations of the Board is under the Director General, presiding over three directorates (Regulatory Services, Planning and Development and Corporate Services) and five units (Procurement and Logistics Unit, ICT and Statistics Unit, Legal Services Unit, Public Relations and Communications Unit and Internal Audit Unit).

(a) Regulatory services aim at safeguarding the Sugar Industry from market distortions and effectively protect local sugar production. The activities include registration of cane growers, sugar producers, users of industrial sugar, users of sugar by-products and other types of sugar, licensing of sugar manufacturers, monitor adherence of sugar processing benchmarks and sugar cane husbandry so that to ensure quality recovery of processing and higher productivity / cane quality are achieved by MCPs and growers, sugar importers, users of industrial sugar and users of sugar by-products and other forms of sugar, Controlling market distortion through quarterly market survey, Inspection of all imported sugar consignments at entry points (100% inspection), use of Agricultural Trading Management Information System (ATMIS) and in collaboration with TRA, use tracking system for all transit sugar up to the final destination.

(b) Planning and Development functions include activities for planning and management of the execution process of the SBT Corporate Strategic Plan; prepare and monitor the implementation of SBT annual budget; monitor and evaluate the implementation of the Sugar Board of Tanzania Corporate Strategic Plan; spearhead development of new large, medium and small-scale sugar projects; promote development and increase of sugarcane productivity among sugarcane growers with special emphasis to out growers.

Further, other functions are to promote, facilitate and provide improvement of skills in technological advancement in the Sugar Industry through training; conduct studies, research or investigation on any matter relating to the Sugar Industry; supervise the implementation of expansion plans of the existing sugar factories; undertake pre-investment studies/surveys and soliciting strategic investors for identified areas of new sugar projects in the sugar industry; maintain links between Sugar Board of Tanzania and stakeholders of the sugar industry; and advise the Government on formulation of policies for promotion and development of the Sugar Industry.

2.3 OBJECTIVE AND STRATEGIES

2.3.1 Objective of the Board

Main objective of the Board is built upon the functions that the Board is required to carry out as stipulated in the establishing Act. The Board is required to carry out such activities, which are of advantageous to the growth of the Sugar Industry which include: -

- i. Promoting the development and expansion of sugarcane cultivation, production and marketing of sugar and the use of by-products;
- ii. Advising the government on the policies and strategies for promotion and development of the sugar industry;
- iii. Promoting the development of small-holder sugar cane growers;
- iv. Creating and promoting a competitive environment conducive to fair play among stakeholders in the Sugar Industry;
- v. Regulating and recommending measures for prescription and enforcement for the control of sugarcane pests and diseases;
- vi. Recommending and regulating measures and procedures for the importation of sugarcane planting materials;
- vii. Promoting and assisting in the research or investigation into any matter relating to the Sugar Industry;
- viii. Prescribing and or enforcing the quality standards for sugarcane, sugar, sugar by-products and any materials from which sugar can be manufactured;
- ix. Advising and overseeing the execution of sugar trade agreements or contracts between the government and other parties;
- x. Promoting the training and improvement of skills in technological advancement in the Sugar Industry;
- xi. Promoting, developing and facilitating the formation of associations or other bodies of stakeholders within the sugar sector (which shall form a consultative forum with the Board) and monitor their activities provided that the objectives of such associations shall not involve arrangement for price fixing or doing anything that is contrary to the Fair Competition Act, 1994;
- xii. Providing a forum for discussions and negotiations among various categories of stakeholders in the sugar sector;
- xiii. Monitoring the execution of contracts and marketing arrangements between sugarcane out growers and sugar manufacturers or other bodies related to the sugar sector and reconcile the parties, when disputes arise;
- xiv. Collecting, refining, maintaining and disseminating data and information relating to the Sugar Industry;
- xv. Collecting any, levy on behalf of any fund established under this Act;
- xvi. Promoting and coordinating the development of large, medium and small-scale sugar plants;
- xvii. Monitoring the implementation of the provisions of the Agreements governing sale of privatized sugar factories and submit the report to the Minister;
- xviii. Representing the government in international for a relating to or dealing with the Sugar Industry;
- xix. Monitoring trends for local sugar production, sugar export, and import requirements.

Furthermore, without prejudice to the generality of the provisions of subsection one of the establishing Act, the Board also has power: -

- i. To issue licenses for export or importation of sugar from or into Tanzania;
- ii. To register or license sugarcane growers, manufacturers of sugar and by products, sugar importers and exporters and industrial users of sugar and sugar plants.
- iii. To issue licenses for the importation of sugar cane varieties upon the advice of the Director.
- iv. To impose and collect levies from various participants in the sugar sector as specified herein.
- v. To appoint inspectors for the inspection of sugar cane fields, sugar processing facilities, sugar warehouses and any other facility that may be inspected for the better carrying out any of the provisions of this Act.

2.3.2 Strategies for Achieving Objective

The Board is currently implementing her five-year Corporate Strategic Plan (CSP) 2021/22 - 2025/26. The CSP is the leading instrument for planning, priority setting and decision-making. The overall goal of the Corporate Strategic Plan (2021/22-2025/26) is to provide effective and innovative Regulatory and Development Services to the Sugar Industry.

In achieving the goal, the SBT Corporate Strategic Plan 2021/22 - 2025/26 will confine itself to the seven identified strategic objectives and with specific targets as summarized in table 1 hereunder: -

Table No. 1: Strategic Objectives, Strategic Actions and Targets

SN	Strategic Objectives	Strategic Actions	Targets
1.	Production of sugar and sugar by products enhanced.	Ensure expansion of the existing sugar milling facilities.	Increased sugar production from 367,917 MT in 2020/21 to 700,000MT by June 2026.
		Promote increase in milling efficiency.	Crushing capacity increased from 770 TCH in 2021/22 to 860 TCH by June 2026.
		Promote diversification of sugar products and value addition.	i. At least three sugar companies produce more than one sugar products by June 2026. ii. At least two new sugar products manufactured by June 2026. iii. At least 10% of industrial sugar requirement produced locally by June 2026.
		Ensure realization of sugar production plans of newly established sugar projects.	Newly established sugar mills produce at least 80,000 MT by June 2026.
		Promote establishment of new sugar projects.	At least 2 large scale sugar projects capable of producing at least 50,000 MT by June, 2025.

		Support design and fabrication of small mini-sugar processing machines.	<ul style="list-style-type: none"> i. At least 3 medium scale sugar projects capable of producing at least 30,000 MT by June, 2025. ii. At least 3 small scale sugar projects of 20 TCD capacity by 2026 iii. Locally designed mini-sugar processing machines fabricated and used by June 2026.
		Promote increase in sugarcane production and productivity in estate farms.	<ul style="list-style-type: none"> i. Estate sugarcane production increased from 2.987 million MT in 2021/22 to 3.578 million MT by June 2026. ii. Sugarcane yield in estates increased from 89 MT/ha in 2021/22 to 102 MT/ha by June 2026.
		Promote increase in sugarcane production and productivity in cane growers' farms.	<ul style="list-style-type: none"> i. Cane growers' sugarcane production increased from 1.021 million MT in 2021/22 to 1.327 million MT by June 2026. ii. Cane growers' sugarcane yield increased from 57.5 MT/ha in 2021/22 to 75 MT/ha by June, 2026.
		Support and improve coordination of R&D activities.	<ul style="list-style-type: none"> i. At least 4 R&D and skills development activities supported by June 2026. ii. At least 3 communication methods and mechanisms to inform industry members on research projects, progress made on the projects and results of the research efforts developed and used by June 2024. iii. At least 3 appropriate and low-cost technology transfer methods to disseminate research findings to end-users identified and used by June 2024. iv. At least 50% of cane grower's use disseminated Sugarcane technologies or improved husbandry practices by June 2026.
2.	Sugar Board of Tanzania financial capacity and sustainability enhanced.	Increase and expand internally generated income.	<ul style="list-style-type: none"> i. Internally generated income increased from TZS 6.57 billion in 2021/22 to TZS 7.50 billion by June 2026. ii. Internally generated income from real estate properties increased to cover at least 40% of the total budget by June 2026. iii. At least 3 new sources of internally generated income in place by June 2025.
		Attract Development Partners' funding.	<ul style="list-style-type: none"> i. At least 4 proposals prepared and submitted to Development Partners for funding by June 2026. ii. At least 2 Development Partners attracted by June 2025.

3.	Provision of regulatory services improved.	Safeguard the Sugar Industry from market distortions.	<ul style="list-style-type: none"> i. At least 3 systems on registration licensing and sugar production traceability reviewed and updated by June 2026. ii. Appropriate tariffs on importation of sugar continue to be put in place and enforced annually. iii. Illegal sugar imports annually controlled by June 2026. iv. Approved sugar import volumes annually verified by June 2026. v. Transit sugar and destination countries monitored regularly by June 2026. <p>Compliance to Sugar Industry Act, Regulations, and Guidelines on farm operations (quality of seed cane, cane husbandry, pests and disease control, environmental protection and management, fire breaks, harvesting, cane quality, movement of seed cane) monitored and enforced annually by June 2026.</p> <ul style="list-style-type: none"> vi. At least 3 systems on registration licensing and sugar production traceability reviewed and updated by June 2026. vii. Appropriate tariffs on importation of sugar continue to be put in place and enforced annually. viii. Illegal sugar imports annually controlled by June 2026. ix. Approved sugar import volumes annually verified by June 2026.
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		Ensure compliance of stakeholders to regulations on operations along the sugar value chain.	<ul style="list-style-type: none"> i. Compliance to regulations on operations of at least six new sugar processing plants monitored and enforced annually by June 2026. ii. Implementation of cane weighing and procedures for sucrose measurement as per the developed guidelines monitored and enforced regularly by June 2026. iii. Adherence to sugarcane processing benchmarks (sucrose recovery, sucrose loss) monitored and enforced regularly by June 2026. iv. At least 4 users of sugarcane and sugar by-products for production of ethanol and other products to be registered and licensed by June 2026. v. Adherence to Regulations for processing of sugarcane and sugar by-products into ethanol and other products monitored and enforced annually by June 2026. vi. Compliance on provisions of registration, importation, and sugar allocation to users of industrial sugar monitored and enforced annually by June 2026. <p>Compliance on sugar distribution and prices as provided for in the Sugar Industry Act and Regulation regularly enforced by June 2026.</p>
4.	Provision of legal services improved.	Amend the Sugar Industry Act No. 26 of 2001 and Sugar Industry Regulations 2010.	<ul style="list-style-type: none"> i. Amended Sugar Industry Act and Sugar Industry Regulations in place by June 2025. ii. Translated Act and Regulations into Swahili in place by June 2025.
		Enhance awareness of the Sugar Industry Act and Regulations to Sugar Industry Stakeholders.	<ul style="list-style-type: none"> i. At least 3 seminars/trainings to create awareness on the Sugar Industry Act and Regulations to Sugar Industry Stakeholders conducted annually by June 2026. ii. At least 1 radio and or TV programme on sugar industry Act and regulation aired by June 2026. iii. Prosecutors of culprits of illegal importation of sugar assisted timely. iv. Negotiation meetings between millers and cane growers for cane supply monitored regularly by June 2026.
		Enforce compliance with Sugar Industry Act, Regulations and rules.	<ul style="list-style-type: none"> i. Cane supply agreement executed timely by June 2026. ii. Reconciliation and mediation on matters relating to Sugar Industry done regularly by June 2026. iii. At least 1 consultative forum with key stakeholders held by June 2025

		Strengthen provision of internal legal services.	<ul style="list-style-type: none"> i. Revised legal instruments governing SBT in place by June 2025. ii. SBT represented in civil cases timely by June 2026. iii. Vetting of legal documents done regularly by June 2026. iv. Compliance on legal matters ensured timely.
5.	Management and governance systems enhanced.	Strengthen SBT capacity to engage with stakeholders.	<ul style="list-style-type: none"> i. Proposal to restructure SBT approved by June 2025. ii. 5 new staff to fill vacant positions as per the current manning level recruited by June 2024. iii. Succession plan prepared and operationalized by June 2026. iv. At least 50% of SBT staff capacitated on various areas of competence to fully support the core functions of SBT by June 2026. v. Opportunities for career development for SBT staff provided regularly by June 2026.
		Motivate and retain human capital.	<ul style="list-style-type: none"> i. SBT staff meeting promotion criteria promoted timely. ii. Motivational incentives for SBT staff reviewed regularly by June 2026.
		Improve and maintain physical facilities.	<ul style="list-style-type: none"> i. Offices and office facilities improved and maintained regularly by June 2026. ii. SBT vehicles serviced and replaced timely by June 2026.
		Improve operational capacity of SBT.	<ul style="list-style-type: none"> i. Performance contract between TR and SBT in place annually by June 2026. ii. Monitoring of implementation of SBT CSP conducted timely by June 2026. iii. Midterm and Final Evaluation of SBT CSP conducted timely by June 2022.
		Strengthen Internal controls, governance and risk management processes.	<ul style="list-style-type: none"> i. Properly fill Open Performance Review and Appraisal (OPRAS) forms for SBT staff signed by June 2026. ii. Efficiency and effectiveness of operations assessed timely by June 2026. iii. Effectiveness of risk management processes evaluated timely by June 2026. iv. Adequacy, soundness and effectiveness of internal controls assessed timely by June 2026. v. Effectiveness of procurement management systems in accordance with PPA and its regulation assessed timely by June 2026.

		Enhance capacity of SBT's ICT System.	<ul style="list-style-type: none"> i. Effectiveness of governance processes assessed timely by June 2026. ii. Computer hardware improved and maintained regularly by June 2026. iii. LAN and WAN infrastructures maintained and updated annually by June 2026. iv. Computer software updated regularly by June 2026. v. SBT Website updated and managed routinely by June 2026. vi. Electronic systems updated and maintained regularly by June 2026. <p>Established web-based center linked with key stakeholders improved and maintained by 2026.</p>
		Enhance information gathering and feedback mechanism in the industry.	<ul style="list-style-type: none"> i. Facts and figures related to all aspects of the sugar industry collected, analysed, stored, and reported annually by June 2026. ii. Reports on performance of the Sugar Industry Updated and disseminated to stakeholders regularly by June 2026. iii. Necessary investment information to potential investors availed timely by June 2026.
		Strengthen regional and international cooperation.	<ul style="list-style-type: none"> i. Annual reports prepared and submitted to relevant authorities timely by June 2026. ii. Calendar for SBT participation at international forums relating to or dealing with sugar in order to defend National interests prepared annually. iii. Calendar for SBT to represent the government in negotiations of International Sugar Agreement prepared annually by June 2026. iv. SBT subscription to Regional and International Organizations (ISO, Sugar online, SADC, EAC, EASSCT) done timely by June 2026.
6.	HIV/AIDS Infections to SBT staff and key stakeholders reduced.	Screen SBT staff for HIV/AIDS and other communicable diseases.	Screening of HIV/AIDS and other Communicable diseases availed to SBT staff by June, 2025.
		Improve health and wellbeing of SBT staff.	<ul style="list-style-type: none"> i. Medical support to SBT staff infected with HIV/AIDS and other communicable diseases provided regularly by June 2026. ii. Support to improve nutrition of SBT staff infected with HIV/AIDS and other communicable diseases provided regularly by June 2026.
7.	National Anti-Corruption Strategy to SBT Staff and Key Stakeholders Enhanced.	Create awareness on strategies to fight against corruption among SBT staff and stakeholders.	<ul style="list-style-type: none"> i. Corruption awareness posters and brochures prepared by June 2024. ii. Corruption awareness posters and brochures disseminated regularly by June 2026. iii. National Anticorruption Strategy communicated to key Sugar Industry stakeholders regularly by June 2026.

Source: SBT Corporate Strategic Plan 2021/22-2025/2026

2.4 SUGAR INDUSTRY PERFORMANCE FOR THE YEAR 2022/23

2.4.1 Report on Sugar Industry Performance

The SBT's Five Year Corporate Strategic Plan 2021/22 to 2025/26 foresees improved financial sustainability, improved legal and regulatory framework as well as spear heading development activities targeting at increasing sugarcane and sugar production and productivity.

2.4.2 Sugarcane harvested by Millers

During the financial year 2022/23, sugarcane harvested by millers observed an increase by 698,651.33 MT (2022/23; 3,395,729.94 MT while 2021/22:2,697,078.61 MT) equivalent to 25.90% increase as shown in the Table No. 2. This was attributed by the introduction of Bagamoyo Sugar as a new miller, the ongoing expansion of other millers' fields (Kagera and Mtibwa) and increase in overall time efficiency (i.e., decrease in factory breakdown), millers planting high yielding varieties (i.e., phasing out of old low yielding varieties), extended crushing season 2022/23, due to favorable weather condition and control of pest and diseases in sugar cane fields and expanding area under irrigation.

Table No 2: Sugarcane harvested by Millers

Sugarcane Estate	Area Harvested (hectares)		Sugarcane Harvested (Metric Tons)		MT /Ha	MT/Ha
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Kilombero	8,985.1	9,064.66	653,431.69	601,244.16	72.72	66.33
Mtibwa	4,946	6,192.00	364,226.58	313,733.45	73.64	50.67
TPC Ltd	7,699	7,689.00	1,143,915.00	1,063,832.00	148.58	138.36
Kagera	13,445.90	9,930.00	1,041,417.71	718,269.00	77.45	72.33
Bagamoyo	1,163.56	-	192,738.96	-	165.65	-
Total	36,239.56	32,875.66	3,395,729.94	2,697,078.61	93.70	82.04
	An increase		698,651.33	25.90%		

Source: Millers Reports on Sugarcane and Sugar production

2.4.3 Sugarcane harvested by out growers

During the year ended on 30 June 2023, sugarcane harvested by Out growers decreased by 13,687.44 MT (2022/23: 1,046,489.37 MT while 2021/22: 1,060,176.85 MT) equivalent to 1.29% as shown in the Table No. 3. Similar trend is observed on productivity that decreased consistently to all out growers' fields with an average drop from 51.62MT/Ha in 2021/22 to 42.93MT/Ha in 2022/2023. The drop was caused by consecutive two years of drought, infestation of sugarcane pests and diseases such as Yellow Sugarcane Aphids and Smut which affected the quality of the grower's cane for production seasons of 2020/21, 2021/22 and 2022/23 this impact was not much observed to MCPs because of relatively good agronomic practices, investments in irrigation and best Pest Management practices compares to out growers.

Table No. 3: Sugarcane Harvested by Out growers

Location	Area Harvested (hectares)		Sugarcane Harvested (Metric Tons)		Number of Out growers		Productivity (MT/Ha)	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Kilombero	16,938	13,712	643,803	667,125	11,547	9,629	38.01	48.65
Mtibwa	2,955	1,715	133,763	85,534	207	205	45.27	49.87
Kagera	1,658	1,697	104,134	109,295	304	304	62.81	64.42
Mkulazi*	1,104	1,432	66,394	93,233	243	244	60.14	65.11
Manyara	1,722	1,982	98,396	104,988	500	401	57.14	52.97
Total	24,377	20,538	1,046,490	1,060,177	12,801	10,783	42.92	51.62
A decrease			13,687	1.29%				

Source: *Sugarcane Out growers Report*

* Metric tons harvested from Mkulazi (Estate- 58,814 MT and OG - 7,579.7 MT) were sold to Mtibwa Sugar Estate.

2.4.4 Total Sugarcane and Sugar Production

The status of sugarcane and sugar production at the sugar mills is shown in the Table No. 4a below: the results shows that there is an overall growth of sugar production from 379,280.83MT to 460,048.95MT in which equivalent to the growth of 21.3%.

Table No. 4a: Total Sugarcane and Sugar production

Sugarcane Estate	Sugarcane Production (MT)		Sugar Production (MT)		Growing (%)
	2022/23	2021/22	2022/23	2021/22	
Kilombero	1,297,235.00	1,268,369.00	133,358.00	132,075.79	0.97
Mtibwa *	564,383.16	521,399.46	61,373.28	47,716.61	28.62
TPC Ltd	1,143,915.00	1,063,832.00	116,691.00	108,856.00	7.20
Kagera	1,145,551.69	827,564.00	123,190.09	82,486.00	49.35
Bagamoyo	192,738.96	-	18,157.20	-	-
Manyara Sugar	98,395.50	104,988.93	7,279.38	8,146.43	
Total	4,442,219.31	104,988.93	460,048.95	8,146.43	

Source: *Millers and Out growers Report on Sugarcane and Sugar production*

*Sugarcane harvested by Estate and out growers from Mkulazi 58,814 MT and 7,579 MT respectively were sold to Mtibwa Sugar Estate therefore, it increased the Company's sugar production for the year 2022/23.

2.4.5 Recovery Ratio (Sugar /cane Ratio)

Examining the sugar recovery (Sugar /Cane Ratio) figures on table 4b suggest an overall improvement of sugar to cane ratio of which Mtibwa Estate recorded the highest recovery at a ratio of 10.87% followed by Kagera Sugar Co. Ltd. which recorded 10.75%. This suggest that the two factories have improved efficiency compared to the previous year 2021/22 which recorded 9.15% and 9.97%; respectively. The low recovery of 7.4% recorded by Manyara Sugar Co. Ltd can be explained by the technology differential to produce sugar of which while other factories use vacuum pan technologies which is considered more efficient Manyara Sugar use open pan technology which is relatively low efficient in recovery.

Table 4b: Sugar Recovery (Sugar to Cane Ratio)

Sugarcane Estate	Sugarcane Production (MT)		Sugar Production (MT)		Sugar/ Cane Ratio	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Kilombero	1,297,235	1,268,369	133,358	132,076	10.28	10.41
Mtibwa *	564,383	521,399	61,373	47,716	10.87	9.15
TPC Ltd	1,143,915	1,063,832	116,691	108,856	10.20	10.23
Kagera	1,145,552	827,564	123,190	82,486	10.75	9.97
Bagamoyo	192,739	-	18,157	-	9.42	-
Manyara Sugar	98,396	104,989	7,279	8,146	7.40	7.76
Total	4,442,219	3,786,153	460,049	379,281		

Source: Millers report on Sugarcane and Sugar production.

The relative percentage of Sugarcane Production MCP against OG 2022/23

Table 5 examined the relative percentage of sugarcane production of MCP against out growers (OG) in 2022/23. The findings revealed that MCP account for 76.44% of total sugar cane produced in 2022/23 while OGs accounted for 23.56%. However comparing the proportion of harvested area by MCP and OG in 2022/23 and the relative percentage of sugarcane productions in the similar season provides an interesting results. While the OG accounted for about 31.28% of harvested area they only contributed 23.56% of harvested sugarcane which is below the proportion of harvested area. The low contribution of sugarcane by OG can be explained by low productivity experienced by the OG compared to the MCPs. This suggest that then is a need for the Board to put emphasis to support initiatives which will increase productivity among growers.

Table No. 5: Relative percentage of Sugarcane Production MCP Vs OG 2022/23

Location	Sugarcane by Millers & OG (MT)	% of Total Industry Sugarcane production	Sugarcane by Millers (MT)	% of Total Millers Cane production	Sugarcane by OG (MT)	% of Total OG Cane production
Kilombero	1,297,235	29.20	653,432	19.24	643,803	61.52
Mtibwa	564,383	12.70	364,227	10.73	200,157	19.13
TPC Ltd	1,143,915	25.75	1,143,915	33.69	-	-
Kagera Sugar	1,145,552	25.79	1,041,418	30.67	104,134	9.95
Bagamoyo Sugar	192,739	4.34	192,739	5.68	-	-
Manyara Sugar	98,396	2.22	-	-	98,396	9.40
Total	4,442,219	100	3,395,730	100	98,396	
				76.44%		23.56%

Source: Millers report on Sugarcane and Sugar production

2.4.6 Molasses Production (MT)

Molasses produced in the country is used for various purposes including the preparation of animal feeds. Kilombero Sugar Company Ltd uses molasses to produce Extra Neutral Alcohol and sells it as raw materials to other distilleries for the production of spirits. TPC sells molasses locally and does export some. Details of molasses production are shown in Table No. 6 below:

Table No. 6: Molasses Production

Factory	Molasses Produced (MT)	
	2022/23	2021/22
Kilombero	53,531.00	52,773
Mtibwa	22,353.00	24,007
TPC Ltd	47,607.00	41,969
Kagera	42,921.03	29,666
Bagamoyo	9,977.70	-
Manyara Sugar	4,864.00	6,840
Total	181,253.73	155,255

Source: Millers report on Molasses production

2.4.7 Ethanol Production (Kiloliters)

In the financial year 2022/23, a total of 23,279.434 Kilolitres of ethanol was produced by Kilombero Distillery Ltd and Kilimanjaro Biochem (T) Ltd as details in Table 7. The amount of Ethanol produced was 100.8% of the target amount of 8,512,564 Kilolitres.

Table No. 7: Production of Ethanol in FY 2022/23

SN	Name of Company	Planned Production (Kilolitre)	Actual Production (Kilolitre)	%
1	Kilombero Distilleries	14,440	14,620	101
2	Kilimanjaro Biochem (T) Ltd*	8,900	9,109	102.3
	Total	23,340	23,729	103.3

Source: Millers report on Ethanol Production

*The portable alcohol produced by Kilimanjaro Biochem is from 1 April, 2022 to 1 March, 2023

And during the visit production was still going on.

2.4.8 Sugar Imports

During the financial year, 2022/23 status of importation of industrial and domestic sugar shows that there was decrease of imports by 18.19% and 77.33% respectively. Decrease of industrial sugar was due to decrease of market share of companies' products locally and outside the country. On other hand, decrease of imports for domestic sugar was due to fact that producers didn't manage to import the allocated amount for reasons that there was deficit of foreign currency (USD) and high sugar price in the World market. Table No. 8 provides more details.

Table No. 8: Sugar Imports

Details	FY 2022 / 23		FY 2021 / 22	
	Approved	Imported	Approved	Imported
Industrial Sugar	249,880	196,270MT	227,750MT	205,000MT
Domestic Sugar	30,000	6,801MT	60,000MT	50,010MT

2.5 VIEW OF FINANCIAL PERFORMANCE

2.5.1 Financial Performance

For the year ended 30 June 2023, the Sugar Board of Tanzania recorded an operating surplus of TZS 374,523 Million compared to a surplus of TZS 3.34 billion for the year ended 30 June 2022 which is due to gain in fair value of investment properties.

2.5.2 Financial Position and Liquidity

As of 30 June 2023, the Board had total assets of TZS 65.04 billion against total liabilities of TZS 2.29 billion, resulting in Net Assets of TZS 62.76 billion, compared total asset of TZS 64.19 billion against total liabilities of TZS 1.81 billion resulting in Net Asset of TZS 62.38 billion as at 30 June 2022. During the financial year 2022/23, the net worth to the Board increased by TZS 374,523 million as presented in Table 9 below:

Table 9: SBT Financial Position, Net Worth for 2022/23

Particular	30 June 2023	30 June 2022
	TZS '000'	TZS '000'
Total Assets	65,041,319	64,187,574
Total Liabilities	2,286,274	1,807,052
Net asset	62,755,045	62,380,522
Net Worth Increase	374,523	

Source: SBT's Audited financial statements for the year ended 30 June 2023

The Board's liquidity for the year 2021/22 and 2022/23 is presented in Table 10 below;

Table 10: SBT Liquidity for 2021/22 and 2022/23

Particular	30 June 2023	30 June 2022
	TZS '000'	TZS '000'
Current Assets (a)	5,951,433	6,314,816
Current Liabilities (b)	1,056,313	626,395
Current Ratio (a)/(b)	5.63:1	10.08:1

Source: SBT's Audited financial statements for the year ended 30 June 2023

2.6 CASH FLOWS

The Board's cash flows can be analyzed from the cash flows statement under three areas of cash flows from operating activities, cash flows from investing activities and cash flows 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 in the past. The general financial performance indicates that the Board's existing sources of revenue can sustain execution of the Board's functions. However, the Board shall continue to closely monitor its current sources of revenue and explore other sources of revenue to enable it to sustain its operations services to the public, monitor expenditure operations and control expenses within approved budgets. Therefore, the Board's cash flows analysis is summarized below:

2.6.1 Cash Flows from Operating Activities

The net cash used in operating activities of TZS 314,141,000 (30 June 2022: Net cash flow TZS 203,716,000), was derived as the difference between cash receipts amounting to TZS 7,075,370,000 (30 June 2022: TZS 6,519,265,000) from Rented properties, sugar import levy, and other income; and payments amounting to TZS 7,389,510,000 (30 June 2022: TZS 6,536,124,000) for compensation to employees, payment to suppliers, payment for various office operations, contribution to the Consolidated Fund, and bank charges.

2.6.2 Cash Flows from Investing Activities

The net cash used from investing activities of TZS 3,737,215,000 (30 June 2022: Net cash used TZS 2,314,319,000) was derived from cash capital expenditures including acquisition of property, plant and equipment amounting to TZS 283,883,000 (30 June 2022: TZS 116,599,000) and amount invested in Treasury bill amounted to TZS 3,453,332,000. However, there was no investment in Treasury bill as at 30 June 2022

2.6.3 Cash Flows from Financing Activities

The net cash flows from Financing activities of TZS 49,304,000 (30 June 2022: TZS 55,157,000) was derived from increase in Capital Grant from Treasure Bill (Ruipa Fund).

Therefore, during the year 2022/23 there was a decrease in cash and cash equivalent by TZS 4,000,192,000 (2021/22: TZS 2,352,617,000).

2.6.4 Comparison of Budget and Actual Amounts

As at end of fiscal year 2022/23, the Board remained financially sound by collecting TZS. 7,147,186,000 achieving 98% of the annual target of TZS. 7,294,906,000. The funds were collected from Board own sources namely sugar import levy, rent, and interest on investment in Treasury Bill as well as Government Subvention. The collected funds enabled Board to meet budgetary requirements and implement annual activities on time and managed to achieve the intended results.

Relative to the above collections the Board managed to spend TZS 7,574,902,000 indicating 104% utilization against annual target of TZS 7,294,906,000. Most of the expenditures were done for Salaries and wages, operating and administration activities as shown in the Statement of Comparison of Budget against Actual Amount.

2.7 KEY PERFORMANCE INDICATORS

The Board's Key Performance Indicators (KPIs) are reported based on the implementation of Annual Plan and Budget derived from the Corporate Strategic Plan (2021/22-2025/26). The KPIs for the year ended 30th June 2023 are given under Table No. 11 below:

Table No. 11: Key Performance Indicators for the Year 2022/23

Objectives	Target for 2022/23	Annual Activities for fiscal year 2022/23	Key Performance Indicator	Implementation Status as at 30 th June 2023
HIV/AIDS infections to SBT staff reduced	Increase awareness of HIV/AIDS to SBT staff and key stakeholders by 2025	To coordinate 2 HIV/AIDS awareness campaign to SBT staff and key stakeholders annually by June 2023.	Number of HIV/AIDS awareness campaigns.	Two HIV/AIDS awareness campaign conducted.
			Number of SBT staff attended trainings on HIV/AIDS.	All SBT staff were sensitized on self-protection and insisted to stay safe and abstain from risky behaviors.
Anti-corruption strategy to SBT Staff and key stakeholders enhanced	Corruption awareness to SBT Staff and key stakeholders enhanced by 2025	To sensitize SBT staff and key stakeholders on corruption prevention practices annually	Number of Corruption prevention trainings undertaken.	All SBT staff were sensitized on corruption prevention trainings
			Number of SBT staff attended trainings on corruption preventions.	
Financial Sustainability of SBT and Administrative functions improved	SBT's administrative functions improved by 2025	To provide SBT staff employment entitlements and benefits by June, 2023	Number of SBT Staff provided employment entitlements.	42 SBT staff were paid their entitlements and benefits including leave travel, transport, telephone allowance, electricity, housing, and furniture as per guidelines.
			Number of SBT staff provided employment benefits.	
		To provide operational support on Director General's office activities annually.	Operations supported to DG Office	DG operations were supported and coordinated
		To provide operational support on administrative activities annually.	Number of administrative operations undertaken	Various administrative activities were paid according to the approved budgeted.
		To facilitate 4 statutory Board, 4 Audit Committee, 4 Investment and planning Committee, 4 Finance and administration committee and	Number of Board meetings held	SBT Board of Directors held 3 Ordinary Meeting; 3 Audit Committee Meeting; 3 Finance and Administration Committee and 3 Investment and Planning Committee, in the financial year, 2022/23.
			Number of Audit Committee meetings held	
			Number of Investment and Planning meetings held.	

		2 extra ordinary meeting annually	Number of Finance and Administrative Committee meetings held.	
			Number of special Meetings held.	
		To facilitate 4 Appointment and Disciplinary committee, 4Workers Council, 4Executive committee, Budget committee and Consultative meetings annually	Number of Appointment and Disciplinary committee meetings held	
			Number of Workers Council meetings held.	
			Number of Executive committee meetings held.	
			Number of Budget Committee and Consultative meetings held.	
		To visit 6 Sugar Estate & manufactures annually	Number of Sugar factories visited	Six (6) sugar factories were visited to conduct monitoring and evaluation on its performance.
	SBT's shared function facilitated by June 2025	To participate in 2 ISO meeting annually	Number of ISO meeting attended.	SBT participated in ISO Council's Meeting held in Eswatini
		To participate in SADC meetings annually	Number of SADC meetings attended	The SBT attended four SADC meetings which took place in Malawi and South Africa. The meetings were, two SADC - Technical Committee on Sugar (TCS), one SADC - Trade Negotiation Forum (TNF), and one Council of Ministers of Trade (CMT). Among the agenda deliberated in the meetings, was Tariff Dispensation of Sugar Imports from SADC member states granted to United Republic of Tanzania (URT) in which the URT was supposed to provide progress report on the same.
		To participate in annual stakeholders Forum	Stakeholders' forum held	Stakeholders' meetings were conducted at Morogoro as it was scheduled.
		To participate annual TSCCT, EASCCT and SASTA conference	Number of conferences of TSCCT, EASCT & SASTA held.	4 TSCCT meetings were attended.

		To participate in the annual exhibitions	Number of exhibitions attended.	Board participated in 4 Exhibitions being Farmers Day; Nane Nane; Saba Saba; and TANTRADE exhibitions
	SBT's Finance management improved by June 2025	To keep and maintain proper books of account, produce annual and periodic reports annually	Financial statements in place	Proper books of account have been maintained by the Board and thus, prepared the financial statements for the year ended 30 June 2023 and submitted the same to CAG for the audit.
		To facilitate Evaluation and Review of SBT Fixed asset register Annually	Number of valuations and review of SBT properties undertaken.	Valuation of SBT buildings (Investment Properties) was undertaken
		To improve mechanisms of debt collection by June 2023	Amount of debt collected	Debt collection mechanisms have been improved but still there is a challenge of late payment which resulted to increment of 3% of debt compared to 2021/2022 as of 30 th June, 2023
		To facilitate acquisition of new accounting system by June 2022	Accounting system in place	Accounting system is in place (Tally), the training on MUSE accounting software was done in the fiscal year 2022/23
	SBT ICT Systems and services improved by June 2025	To undertake 4 operationalization of SBT ICT Steering Committee meetings by June 2023	Number of ICT Steering Committee meetings held	The ICTU nit hosted 1 Steering Committees, meeting of the fourth quarter 2022/23
		To conduct SBT ICT Security Operations by June 2023	Number of security systems conducted	The ICT Unit conducted three (3) operations focused on improving security of protecting information of cane growers Management System, ATIMIS and Sugar Inspection.
		To monitor usage of tracking systems for Domestic and Industrial Sugar Control to Stakeholders by June 2023	Tracking systems to monitor usage of domestic and Industrial Sugar in place	ICT Unit Developed industrial Sugar reporting system as module for tracking usage of sugar in or from the licensed companies or industrial sugar users .

		To develop computer repair and maintenance program, network, and provision of Internet Services by June 2023	Percentage of staff allocated with functioning computer Hardware and software Number of SBT staff with access to Internet services	About 40staff Internet Users had good access to Internet. Also, All SBT Officials had access to functioning computer hardware and software.
		To implement Government directives on ICT systems & data backup management with e-GA by June 2023	MUSE user acceptance Testing (UAT) conducted	The SBT conducted UAT for MUSE through collaboration with Ministry of Finance (MOF)
		To Improve SBT Website and Government Mailing System (GMS) by June 2023	Number of SBT staff trained	All SBT staff provided and trained on using the Government mail properly.
	Capacity of SBT staff improved through long and short courses by 2025	To support SBTs staff to attend short courses and executive management courses and senior management courses by June 2023	Number of staff attended short courses	HR Section coordinated and facilitated 8 staff pursuing Carrier Development of whom 4 staff attended Masters level 2 staff attended CPA review classes 1 staff attended Law School and 1 PHD.
			Number of courses participated	HR Section coordinated and facilitated 1,252.1 Hours of training to 31 staff members on Training Need assessment, Procedures on disciplinary Matters, Internal auditors Forum, Managerial and Leadership Skills, Auditing for Development, procurement and logistics, estate management and finance/accounts.
			Number of Hours participated in the course	
	Share of internally generated income from real estate properties to cover 80% of the total budget increased by June 2025	To coordinate utility services at Sukari House by June 2023	Number of Utility services available at Sukari House	Various utilities have been coordinated and paid as budgeted including Security, cleaning, fumigation, Water, Electricity, elevator etc.

	SBT'S Procurement Services Improved by June 2025	To implement Procurement Management Unit Functions by June 2023	Number of Reports on adequacy and effectiveness of SBT procurement management system	SBT had approved Annual Procurement Plan and submitted 12 monthly procurement reports and 4 quarterly procurement reports.
		To coordinate and facilitate four ordinary and two special Tender Board meetings by June 2023	Number of Tender Board meetings coordinated and facilitated	4 Tender Board meetings convened during the year 2022/23.
		To coordinate 6 Tender evaluation and 6 negotiation activities by June 2023	Number of Tender Evaluations undertaken Negotiation meetings coordinated	11 Tender evaluations were done. 3 Tender negotiations meetings done.
		To coordinate and facilitate stores functions by June 2023	Number of properly filled Store ledger in place	5 store ledger books filled in
		To coordinate and facilitate Procurement Audit by June 2023	Number of PPRA Audit Report	Last PPRA Audit was not undertaken during the year 2022/23.
		To facilitate procurement of office and general supplies by June 2023	Monthly reports on Execution of APP.	12 monthly procurement reports were prepared for the year 2022/23.
	SBT's Internal Audit Services Strengthened by June 2025	To assess efficiency and Effectiveness of Implementation of SBT Operation programs assessed by June 2023	Number of reviews undertaken on SBT operations programs	The Board's Adequacy and Soundness of the process in place, process and procedures for Regulatory services, Planning and Development and Legal Services programs in respect of Internal Controls, Governance and Management of risks associated with the process were assessed and reported for improvements.

		To undertake consulting and advisory activities by June 2023	Number of verifications of revenue collected conducted. Number of audit services undertaken on advisory and consulting services.	The Board's internal and external controls were reviewed in various areas of operations, like Licensing, Inspection, verification and rehabilitation of Board's properties and reported to improve compliance with laid down policies, procedures and other Legal requirements.
		Assurance activities (Performance, Financial, Estate Management, ICT and related systems, Human Resources & Payroll Audit) undertaken by June 2023.	Number of audit services undertaken on assurance services	The board's Adequacy and soundness of procedures and process in place for Estate Management, Human Resource Management and ICT and related systems were reviewed and reported for improvements
		To review SBT Financial Report/Statement by June 2023	Number of SBT Financial reports reviewed	The Reliability and Integrity of SBT Annual Financial Statements, Interim reports in Compliance with IPSAs Accrual reporting standards were assessed.
		To assess the effectiveness of SBT procurement processes and contract management by June,2023	Number of reports on procurements reviewed	4 Quarterly Procurement
		To review effectiveness and efficiency of SBT Tender Board and related committees by June 2023	Number of reviews undertaken	4 reviews undertaken
		To conduct evaluation of the effectiveness of the SBT Risk Management processes by June 2023.	Number of quarterly reviews of Risk management Process conducted.	The Board's Risk management process have been evaluated and recommendations were made for improvements.
		To facilitate review of SBT Risk Register by June,2023.	Number of Documents reviewed	Internal Audit Unit participated to revise and update SBT Risk Register and Risk Management Framework.

		To coordinate activities of CAG and other assurance provider and monitor Implementation of CAG's and other assurance providers recommendations by June 2023	CAG and other assurance providers audit Follow up reports produced quarterly	CAG and other assurance providers activities were coordinated and follow up and Monitoring Implementation of Internal Auditor (CAE) and External Auditor (CAG) Recommendations were done, and progress were reported to the Internal Auditor General (IAG) and Treasurer Registrar (TR).
		To conduct Quality Assurance improvement programme by June 2023	Number of quality assurance programs conducted	One Quality assurance improvement program was conducted by Internal Auditors General (IAG)
		To develop a three years Internal Audit Strategy,1 Internal Audit Manual, Risk Based Internal Audit Plan and revision of Internal Audit Charter by June 2023	Number of Documents Produced	The Board's Internal Audit Charter was revised and Risk Based Internal Audit Plan developed for Financial Year 2023/24.
Sugar Production and Availability Increased	Production Efficiency and Expansion Plans of Existing Sugar Factories Improved by June,2025	To oversee progress on expansion plan of 5 existing sugar factories by June 2022	Number of Sugar factory improved crushing capacity	Kilombero Sugar Co. Ltd Kilombero Sugar Company have started expansion programme since August, 2021. Currently the construction of civil works is on progress and the expansion of the
			Number of sugar factory expanded	
			Number of increased areas under cane developed.	

				<p>Kilombero four (K4) sugar factory has reached 51%. The expansion will increase additional 310 Tons of Cane per Hour from current crushing capacity of 260 Tons of Cane per Hour (KI- 110TCH & KII- 150 TCH) to attain a combined crushing capacity of 570 Tons of Cane per Hour which translate into an increase of sugar production from 132,075.79MT (2021/2022) to 271,000MT by end of production season 2025/2026. Commencement of crushing is expected to be June 2024.</p> <p>Mtibwa Sugar Estate</p> <p>Mtibwa Sugar Estate has continued with expansion of the Dakawa site which has a total of 30,000 Hectare of which only 12,000 Hectare are suitable for sugarcane cultivation. A total of 4,500 Hectare were cleared and ploughed of which 3,500 have been planted sugarcane and installed irrigation infrastructure. Land clearance to other 200 hectares is on progress. The company has been able to increase sugar production from 47,716.7 MT (2022/2023) to 61,373.28MT (2023/2024). The company's plan is to increase sugar production to a tune of 100,000 Mt by 2025/2026</p> <p>Kagera Sugar Ltd</p> <p>Kagera Sugar Ltd has continued with expansion of Kitengule site where by up to</p>
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				<p>March 2023, a total of 7,555 Hectare were planted cane which is equivalent to 58% of the total Kitengule site. Furthermore, about 1,000 Hectare of Kitengule site were installed irrigation infrastructure. The Company's plan is to increase sugar production to a tune of 170,000 MT by 2025/2026. This is done through major investment on factory development by increasing capacity to crush cane from 180 TCH- Tons of Cane per Hour (105,000MTof sugar) to 300Tons of Cane Per Hour (> 170,000 MT sugar).</p> <p>Manyara Sugar Company Limited</p> <p>Manyara Sugar Company Ltd (MSCL) is planning to improve sugar factory efficiency by installation of a vacuum pan technology of 500TCD to improve recovery rate from 7.5% to 10%</p>
		To collect and disseminate information on sugar data and advertise to 2 newspapers by June 2023	Weekly reports on status of sugar industry production and disseminate to respective stakeholders.	SBT prepared weekly report on status of sugar production for the entire financial year to keep track on trend of sugar produced, stock position, retail and wholesale prices. Also report on the status of the sugar situation in the country was prepared and submitted to respective Authority on monthly basis.
		To monitor the performance of (7) factory/mill in recovery	<p>Tons of cane crushed per Hour (TCH).</p> <p>% of Overall Time Efficiency of the Mills</p>	The Cumulative Crushing rate of Five Sugar factories ended June 2023 stands at

		and processing of sugar in line with the sugar recovery benchmarks guidelines by June, 2023	% of Lost Time Available of Mills	<p>914.3TCH which is 106.3% of the annual target of 860TCH.</p> <p>High overall time efficiency of the mills averaging 83% caused by installation and maintenance of sugar factories facilities.</p> <p>Improved overall time efficiency due to Lower Loss Time available averaging to 9.6 % allowed consistent crushing of cane in the season.</p>
		To monitor diversification of sugar products and value addition to sugar factories and its effects on cost of sugar production by June,2023	Number of sugar companies producing more than One (1) Sugar products.	<p>Kilombero Sugar Company is producing Six Sugar products which is Sugar, Ethanol Extra Neutral Alcohol and Technical Grade, electricity, molasses, Condensed Mollases Solids (CMS).</p> <p>Mtibwa Sugar Estate - is producing three products, Sugar, Mollases and electricity.</p> <p>TPC Ltd -is producing three products - sugar, mollases and electricity.</p> <p>Kagera Sugar Ltd - is producing three products - Sugar, Mollases and electricity</p> <p>-Manyara Sugar Company is producing four products - Sugar, jaggery, briquettes, mollases and electricity.</p>

			Number of new Sugar products produced	Kilombero Sugar Company is producing a new product i.e Condensed Mollases Solids (CMS) which is an organic source of potassium produced as an end product from the distillation of alcohol from molasses. The company is using CMS as fertilizer due to its rich composition of potassium. Potassium is among the main macro nutrients to the soil (N, P,K). Manyara SCL is producing briquettes used as an alternative to charcoal
		To monitor crop performance standards to Six (6) estates for (MCP & Growers by June,2023	<ul style="list-style-type: none"> •Quantity of Cane per Ha (productivity) Estates. •Yield per Ha by growers •Area under Irrigation for growers and MCP 	Average Yield for Six (6) estates per Hectare stands at 98.06Mt/Ha vs 77.716Mt/Ha of the previous year. Growers' average yields stands at 46.89Mt/Ha
			<ul style="list-style-type: none"> •Percentage of Quantity of sugar in a Sugar Solution for growers and MCP 	Average percentage of sugar cane for Six Estates stands at 12.71% by June,2023
		To monitor and evaluate performance implementation of harvesting schedules to reduce post-harvest loses, burn to crush hours and differed cane by June,2023	<ul style="list-style-type: none"> •Quantity of cane sold to sugar mills annually •Quantity of carryover cane produced annually. •Cane lost to fire accidents •The Burn to Crush Hours (BCH) 	Annual Sugarcane crushed from Out Growers was 1,046,489Mt. The Burn to Crush Hours for cane delivered this season stands at 37.1Hours vs standard of 45Hours. Further Total cane lost under fire accidents stands at 940Mt vs previous year of 1,820Mt.
	Cane Growers Productivity Improved by June 2024	To conduct training to 1000 sugarcane growers on sugarcane husbandry at Kagera, Mtibwa, Manyara and Mbigiri by June 2023	Number of Out growers trained on Good Agronomic Practices	Sensitization and training on Good Agronomic Practices was conducted to 976 sugarcane growers at Mbigiri, Manyara and Kagera .

		To facilitate training to 1000 out growers on Crop insurance in collaboration with insurance companies at Mtibwa, Kagera and Mbigiri by June 2023	Number of Sugarcane growers trained on Crop Insurance	213 sugarcane growers were sensitized and trained on Good Agronomic Practices in Mbigiri
		To conduct evaluation to 1000 sugarcane growers on adherence to sugarcane husbandry practices by June 2023	Number of farmers evaluated	Evaluation of the trained sugarcane growers was done to 333 sugarcane growers of Kilombero, Manyara and Mbigiri. The evaluation revealed that above 60% of sugarcane growers have sufficient knowledge and adhered to Good Agronomic Practises (GAP)
			Number of farmers adhere to GAP	
		To establish 3 demonstration plots in the cane growing areas (Mtibwa, Kagera and Tanga-Mheza) by June, 2023	Number of Demonstration plots established	The Sugar Board of Tanzania established 8acres of seed cane nursery to sugarcane growers' fields with varieties N41, NCO 376 and R570 at Mtibwa. Furthermore, the established 8acres of seed cane nursery at Kiru Basin in Manyara, a total of 139 MT of seed cane were harvested and successfully distributed to 22 growers. The distributed seed cane is expected to be multiplied to other sugarcane growers for purpose of increasing sugarcane productivity (yield per hectare).
			Number of new varieties introduced to farmers.	
			Number of farmers adopting new varieties.	
			Number, acreage, and production of nurseries	
			Number of selected farmers engaged in Seedcane production	
			Number of cane growers trained in better seed cane Husbandry Practices.	


		To spearhead and facilitate design, development testing, Distribution and Marketing of prototype for new modernize sugarcane farm equipment's by June 2023	Designed and developed mini plant installed and operational zed.	Sugar Board of Tanzania followed up on the implementation of the MOU between SBT and TEMDO on designing and development of small-scale sugar plant. Fabrication of the -equipment's have been completed as follows: - <ul style="list-style-type: none"> i. Hot Water Treatment Plant - 97%, ii. Boiler - 85%, iii. Clarifier-100% but undergoes minor modifications after carried out dry test, iv. Crystallizer - 80% v. Vacumm pans -97%, vi. Vaccum pan holding structure has reached 75%. The plan ahead is to accomplish fabrication of the equipment and assembly by September, 2023.
		To sensitize sugarcane farmers on the use of modernized sugarcane farm equipment by June 2023	Number of technology developers identified. Number of visits to sugar estates	SBT liaised with Technology developers Nyumbu JKT and visited sugar estates to evaluated the requirements of modernized farm equipment.
	Five years Sugar Industry Development Plan and Strategy reviewed by June 2025	To conduct evaluation and review of Five Years Sugar Board of Tanzania Strategic Plan by June 2023	Review of the Strategic Plan undertaken	The performance Contract Implementation Report for fiscal year 2022/23 was prepared and submitted to Treasury Registrar.
		To monitor and evaluate overall coordination, annual monitoring and interim evaluations of implementation of the Five years Corporate Strategic Plan by June, 2023	Annual evaluation report on implementation of the SBT corporate Strategic Plan	Annual Evaluation report on the Implementation of the SBT Corporate Strategic Plan was prepared and submitted to the Board.
Realization of New Sugar Projects	30,000 Ha of Potential Land For New Sugar	To facilitate demarcation and reserve of 10,000Ha of	Number of hectares acquired for investment	Busega and Bariadi- District Council-Simiyu Region

<p>(Small, Medium and Large Scale) Enhanced</p>	<p>Investment Demarcated and Reserved by June 2025</p>	<p>potential land for new sugar investment by June 2023</p>	<p>Number of hectares undercane</p>	<p>The Sugar Board of Tanzania has successfully completed verification exercise of the potential areas for sugarcane and sugar production projects in Busega and Bariadi District Councils. The results of the exercise revealed that, a total of 7,040 hectares and 16,311 hectares at Bariadi and Busega District Councils are potential for sugarcane production. The identified areas belong to small holders' farmers who are engaged in paddy production during rainy season and in the off season are used for livestock keeping. The prospective investor DHD has requested to be allocated 15,000 hectares of land for establishment of sugarcane plantation and installation of sugar mill.</p> <p>Kilolo District Council</p> <p>The Sugar Board of Tanzania together with the Iringa Regional and Kilolo District Authorities has successfully achieved undertaking a reconnaissance survey to establish potential hectare which are suitable for sugarcane production whereby it was revealed that, Kilolo District Council has a total of 11,367 hectares which are divided into two wards which are Mahenge ward (2,801 hectares) and Nyazwa ward (8,566 hectares). The area was seen as potential for sugarcane production and establishment of sugar plant but further</p>
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			Number of farmers engaged in the project	resurveying is required to identify ownership of the land.
	Pre-Feasibility Study in the Areas for Establishment of Mini Sugar Project Conducted by June 2025	To coordinate and facilitate pre- feasibility study in areas earmarked for establishment of mini sugar project by June 2023	Number of pre-feasibility study conducted Number of Hectares understudy.	The SBT conducted Pre-feasibility study at Wembere Basin which cuts across Uyui and Igunga Districts in Tabora Region. The study revealed that approximately 22,879 hectares are potential for sugarcane cultivation. The SBT continued to expose various investors in the area.
	Potential Areas Mapped for New Sugar Projects Linked to Sugar Investors by June 2025	To market potential areas mapped for sugarcane production and sugar investment to prospective investors by June 2023	Number of prospective investors linked Number of hectares acquired for investment	<ul style="list-style-type: none"> The Sugar Board of Tanzania exposed prospective investor V.H. Shaha from Mwanza and foreign partner (Nile Agro Industries Limited) to Ikongo valley. The prospective investors showed interest to invest in sugarcane production and sugar plant in the area. The area has a total of 30,000 Hectares whereas 12,471.3 hectares and 17,694.7 hectares are in Butiama and Serengeti District respectively. Potential areas for new sugar project were promoted during Famers Day held at Kilombero, Stakeholder's meeting, Sabasaba, and Nane Nane Exhibitions and during Trade and Investment forum held in South Africa.

	New Sugar Plants Expanded and Modernized by June 2025	To oversee execution of new sugar plant expansion and modernization plans by June 2022	Number of large-scale sugar projects established.	<p>The SBT facilitated and coordinated the establishment of the two large Sugar project (Mkulazi Holding Ltd and Bagamoyo Sugar Ltd) and other new sugar project which are at different stages as follows :-</p> <p>Mkulazi Holding Ltd</p> <p>Construction of the factory and other mills equipment's have been successfully completed by 90%. The Company expect to finalize the factory installation before 30th June, 2023 and start initial trials for producing brown sugar August, 2023.</p> <p>Bagamoyo Sugar Ltd (BSL)</p> <p>The company Started initial production of Sugar with a total of 18,157.1mt of sugar achieving 91% of the seasonal target of 20,000Mt. The company achieved average yield of 166 Mt/Hectare. As of June, 2023 the company planted 2,022.37 Hectares of sugarcane equivalent to 33.7% of the 6000 hectares potential for sugarcane farming. The target of the company for the year 2023/24 is to develop 2,000 hectares.</p> <p>Lake Agro Ltd- Rufiji District Council</p> <ul style="list-style-type: none"> The company established 20 hectares of Nursery A of seed cane, drilled one bore hole, constructed temporary administration houses
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			 <ul style="list-style-type: none"> • Commissioned drilling of the second borehole with 180metre deep which will have a flow rate of 86,000 litres per hour. • Bush clearance of 196 hectares for establishment of Nursery B has been completed <p>Mufindi Paper Mills - Kasulu District Council</p> <ul style="list-style-type: none"> • The Company has successfully cultivated and planted 78 hectares of Nursery A which has Nine (9) varieties namely; R579, N41, NCO376, R570, MN1, N25, N36, N53 and MN-1. • The entire area of nursery A is installed with a system of drip irrigation by taping water from River Maragalasi. • The company constructed weighbridge, workshop, residential buildings and administration office. With all activities which are going on at the site, the company has employed 200 casual laborers, 60 senior staff and 7 expatriate. <p>Golden Sugar Mill - Missenyi</p> <ul style="list-style-type: none"> • The SBT linked the company with financial institutions such as CRDB,
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				<p>NMB, AZANIA, NBC, TADB and TIB for accessing loan for development of the sugar factory.</p> <ul style="list-style-type: none"> • The company is planning to establish Vacuum Pan Brown Sugar Pressure Boiler Processing technology for 500TCD expandable to 750TCD. • Cultivated and planted a total of 90 hectares of seed cane nursery with varieties namely N41, R,579, N25, N49 and N47.
	Land Acquisition for New Sugar Projects Facilitated by June 2025	To collaborate with other Authorities (District Authorities & TIC) to facilitate acquisition of land for new sugar projects by June 2022	<p>Total land allocated for new sugar investments</p> <p>Number of prospective investors facilitated</p>	<p>SBT and with other Authorities & TIC managed to facilitate acquisition of land to Three prospective investors namely RAI GROUP Company Kasulu District Council (37,662 Hectares) S.J Sugar and Distillery (2090.4 Hectares), Mtwara and Lake Agro Rufiji (17,700 Hectares).</p>

	Mini Sugar Plant Designed and Developed by June 2025	To oversee implementation of the MOU on development and design of mini sugar processing plant by June, 2023	Number of fabricated equipment's	<p>Sugar Board of Tanzania followed up on the implementation of the MOU between SBT and TEMDO on designing and development of small-scale sugar plant. Fabrication of the -equipment's have been completed as follows: -</p> <ul style="list-style-type: none"> i. Hot Water Treatment Plant - 97%, ii. Boiler - 85%, iii. Clarifier-100% but undergoes minor modifications after carried out dry test, iv. Crystallizer - 80% v. Vaccum pans -97%, vi. Vaccum pan holding structure has reached 75%. <p>The plan ahead is to accomplish fabrication of the equipment and assembly by September, 2023</p>
Provision of Legal Services Improved	Amended Sugar Industry Act and Regulations in place by June, 2025	To collect views from stakeholders on the Sugar Industry Act and Regulations amendments.	Number of stakeholders engaged	The SBT Management engaged three (3) stakeholders, i.e Sugar Producers, Sugarcane Growers and Traders in writing to submit their views on what should be taken on board during the amendment of the Sugar Industry Act.
		To draft proposed amendment of the Sugar Industry Act and Regulations in collaboration with Attorney General's Chambers and Ministry of Agriculture by June 2023	Number of Amendments (Written Laws & Miscellaneous Amendments of the Act & Regulation)	BT in collaboration with Office of the Attorney General and Ministry of Agriculture drafted a draft of the Amendment of the Sugar Industry Act No.26 of 2001 by taking on board all the necessary issues which will facilitate the development of the Sugar Industry in Tanzania.

				Currently the draft of amendment of the Sugar Industry Act is waiting to be tabled before sugar Industry Stakeholders for their final comments and thereafter to be submitted to the Ministry of Agriculture for further steps.
		To finalize the amendment in collaboration with Attorney General's Chambers for gazettelement by June 2023	Number of amendments gazzeted	This Activity will be conducted in the First Quarter of the Financial Year 2023/2024
		To translate Sugar Industry Act, CAP 251 and Sugar Industry Regulations of 2010 into Kiswahili language.	Translated Act and Regulations into Swahili	The Translated Sugar Industry Act is currently at the Attorney General's Office and it has not yet been published. Therefore, once it is published in the Government Gazzette then it's copies will be distributed to the Sugar Industry Stakeholders.
		To print and distribute hundred (100) copies of translated Act and Regulations to stakeholders.	Number of copies printed and distributed	The Translated Sugar Industry Act is currently at the Attorney General's Office and it has not yet been published. Therefore, once it is published in the Gazzette then it's copies will be distributed to the Sugar Industry Stakeholders

		To sensitize stakeholders on Sugar Industry Act and Regulations of 2010 annually.	<ul style="list-style-type: none"> • Number of sensitization programs • Number of stakeholders trained 	The SBT conducted Sensitization programme on the Sugar Industry Act, Cap 251 and its Regulations of 2010 at Kiru Valley in Babati District in Mayara Region. The said programme covered the following groups: <ol style="list-style-type: none"> a) Sugar Manufactures i.e Manyara Sugar Company and Suba Agro Company; b) Registered Sugarcane Growers AMCOS i.e Gichamenda AMCOS, Matumairo AMCOS and Kiru Amcos and; c) Commercial Sugarcane farmers.
		To conduct radio and TV program on Sugar Industry annually.	Number of TV and Radio programs conducted	This Activity will be conducted in the next financial year 2023/24
	Compliance between Millers and Cane growers monitored by June, 2025	To participate in five (5) negotiation and reconciliation meetings involving cane growers and Millers and give advice accordingly annually.	Number of Meetings conducted	<p>The SBT participated in five (5) meetings for negotiation of the Cane Supply Agreement between Sugar producers and cane growers at Kilombero, Mtibwa and Kagera Estates.</p> <p>As a result of the negotiation the cane selling prices per ton of cane have increased from TZS 71,000/= to TZS,75,500/= at Kagera, TZS. 70,000/= to TZS. 74,000/= at Mtibwa and TZS. 110,072 = at Kilombero Sugar.</p> <p>Both cane Supply Agreements have been signed already for the production season 2023/2024</p>

		To advise, draw and monitor execution of cane supply agreement between cane growers, producers and oversee contractual obligations timely	Number of cane supply agreements agreed and signed	Three cane supply agreement agreed and signed
		To reconcile and mediate on matters relating to sugar industry.	Number of mediations on matters related to sugar industry reconciled	(i) The SBT through Legal Services Unit attended a Task Force Meeting coordinated by Ministry of Industry and Trade with a sole purpose of outlining obstacles which are likely to impede operationalization of the Electronic Window system based on the SBT's Legal Framework. The main objective was to facilitate trade acceleration between Regulatory Authorities and Customers and create conducive environment for business operations. (ii) During the reporting period the Legal Unit in collaboration with Police Force conducted interrogation to seven (7) comprehended Culprits involved in the illegal importation of sugar and repacking contrary to the Sugar Industry Act.No.26 of 2001. Whereas, two (2) main culprits were interrogated at Mbeya and Songwe Regions and Five (5) were interrogated at Kidatu- Morogoro Region.
		To convene sugarcane growers consultative forums	Number of forums conducted	This activity was re-scheduled to be executed in the next Financial Year (2023-2024).
	Internal Legal Services rendered regularly.	To revise, review and amend two legal instruments.	Number of the documents reviewed	During reporting period, the SBT attended a meeting which was convened by the Office of Attorney General in Dodoma from 29 th to 31 st August, 2022 for the purpose of proof reading

				<p>the Revised Sugar Industry Act No.26 prior to the Publication in the Government Gazette.</p> <p>The revised version incorporated all the amendments as outlined below;</p> <ul style="list-style-type: none"> (i) The Crops Laws (Miscellaneous Amendments) Act No.20 of 2009, (ii) The Written Laws (Miscellaneous Amendments) Act No.2 of 2017 and; (iii) The Written Laws (Miscellaneous Amendments) Act No.3 of 2020.
		To file cases, attend and honor associated costs timely.	Number of cases filed	7 cases were reported out of those 2 were lodged to the court and remaining 5 culprits were compounded.
		To consult Government departments and law enforcers on matter related to Sugar Industry.	Number of consultations made	The SBT through Legal Services Unit participated in a reconciliation meeting between Manyara Sugar Company and Manyara cane growers in respect of the execution of the Cane Supply Agreement. Whereas Cane growers AMCOS claimed that, some of canes of unregistered farmers were taken to the Mill for crushing contrary to the Cane Supply Agreement. The SBT sensitized both Parties on the requirement of the Sugar Industry Act No.26 and the consequences for failure to abide with the law

Objectives	Target for 2022/23	Annual Activities for fiscal year 2022/23	Key Performance Indicator	Implementation Status as at 30 th June 2023
Provision of Regulatory Services improved	Reports on performance of the Sugar Industry Updated and disseminated to stakeholders regularly by June 2023	To undertake Quarterly sugar market survey on price, availability, distribution and establish sugar gap in the country by June 2023	Number of sugar market surveys undertaken	A total of four (4) sugar market surveys were conducted in the year 2022/2023 in which same revealed that sugar was available in the whole country throughout the year. Moreover, findings of the survey established that a country needed a total of 30,000MT of sugar to be imported to bridge production gap in 2022/2023.
			Number of Regions, Districts visited for sugar survey.	The sugar survey was conducted in all 26 regions which were categorized in six (6) zones namely Northern, Southern, Central, Western, Eastern and Lake Zone.
			Weekly and Monthly reports on sugar price and availability status.	Reports on status of sugar prices and availability were established every week. Sugar prices, with exception in May/June 2023 in which prices went up to a tune of 4,000 per kilogram, at wide and large many parts of the country prices were dominantly at average price of between TZS. 2,700 and 2,900. In few parts of the country the sugar was sold at 3,000 per kilogram. The whole sale price was between TZS. 2,400 and TZS. 2,460 per one kilogram. On the other hand, ex-factory price was between TZS. 2,200 and 2,420 per Kilogram.
			Number of regional wholesale and retail traders visited	A total of 265 sugar wholesalers and retailers were visited throughout the Country.

Objectives	Target for 2022/23	Annual Activities for fiscal year 2022/23	Key Performance Indicator	Implementation Status as at 30 th June 2023
			Number of sugar distributors monitored	A total of 60 sugar distributors were monitored on sugar price, supply and stock
			P & D infestation rate	Inspection in the estate fields revealed that infestation level was at 4-7.1% Vis as Vis a threshold of 20%. As control measure, the estate has deployed use of systemic pesticides. For the case of cane growers' infestation level was 14% to 23%
		To enforce compliance on guidelines for pests and diseases control to at least 70% of cane farmers by June 2023	Number of farmers enforced.	A total of 478 out of the targeted 500 growers were enforced on matters of compliance of pests and diseases.
		To strengthen the Seven (7) Mill Pests and Control Committees on diseases and pests' control by June 2023	Number of MPCC revived	a total of three (3) MPCC were revived at Mtibwa, Missenyi and Mbigiri.
			Reports of Pests and Disease infestations	Four reports on Pests and diseases infestations developed on the year 2022/2023.
			Trainings to Famers undertaken by MPCC	Two trainings were undertaken by MPCC for the period of 2022/2023
			Number of Hectares scouted by MPCC	Total of 584ha inspected for pests and diseases at Missenyi, Mtibwa, Mbigiri and Kilombero Valley for the year 2022/2023.

Objectives	Target for 2022/23	Annual Activities for fiscal year 2022/23	Key Performance Indicator	Implementation Status as at 30 th June 2023
		To review or improve guidelines for pests & diseases control, sugarcane quality, seed cane multiplication, cane husbandry practices by June 2023	Number of guidelines reviewed	Preparations on reviewing of guidelines were initiated by formulating a team of expert to work on assignment in collaboration with sugar estates and TARI- Kibaha.
		To conduct four inspection compliance on growers' sugarcane fields fire breaks for control of cane fire by June 2023	Number of hectares under firebreaks	A total of 284 Hectares for Out grower's cane fields at Mtibwa and Kilombero were established to have complied under firebreaks
			Number of farmers attended training on firebreaks	Four hundred and seventy-eight (478) farmers at Mtibwa and Kilombero attended training on firebreaks
			Number of firebreaks sensitization Meetings	Two meetings on sensitization fire breaks were conducted at Mtibwa and Kilombero and It was found out that many farmers don't adhere to cane fire breaks which can easily result into fire accident and cause lose to the farmers.
	Registration and licensing system reviewed and updated regularly by June 2023	To conduct registration of 500 farmers in sugarcane producing areas by June 2023	Number of field IDS issued	Total of 5,909 Growers' Identity Cards were printed and distributed to growers.
			Number of growers registered	Total of 618 Growers were registered. Same covered a total of 1,604.6 Ha and 1,196 growers fields.
		To conduct registration of ten (10) special sugar users, Jaggery Manufacturers, industrial sugar users registered by June 2023.	Number of industrial sugar users registered	Total of Six (6) users of industrial sugar were registered, namely ADICO Limited, Hill Water Packaging, Galaxy Foods Limited, Jazo Industries, Afritea and Coffee and Katwaza Pharmaceuticals.
			Number of jaggery manufactures registered	Total of eleven (11) jaggery manufacturers were identified at Manyara prior for registration process.

Objectives	Target for 2022/23	Annual Activities for fiscal year 2022/23	Key Performance Indicator	Implementation Status as at 30 th June 2023
			Number of Sugar manufactures registered	A total of two Sugar Manufacturers were registered and licensed under category A to produce sugar in the country. The licensed companies which are set to produce each a total of 10,000MT per annum upon completion are M/s Pangani Mills and Golden Sugar company Ltd completion
			Number of special sugar users registered	A total of 6 importers of special sugar were registered under period under review
		To conduct two (2) inspection to Ethanol Producers using sugarcane and /or sugar by products as raw materials by June 2023	Number of inspections conducted	Inspection was conducted to Kilimanjaro Biochem and Illovo distilleries in which it was found that a total of 8,659,434 Litres and 14,620,000 Litres of Extra Neutral Alcohol (ENA) was produced respectively
		To Develop and Integrate SBT Information Management Systems with other Government Information System by June 2023	Number of illegal operations conducted	Four illegal operations have been conducted in the period under review
			Quantity of sugar ceased	Total of 2.9 MT of illegally imported sugar in the country was captured and ceased by the Board during special operations which were conducted in Dar Es Salaam and Mbeya.
			Number of culprits prosecuted	Total of 17 culprits have been apprehended for further process to the Court of Law
			Number of SBT systems developed integrated with Government systems	Conducted Integration between the Sugar Board of Tanzania Inspection System (Ukaguzi App) and the Agriculture Trade Management Information System (ATMIS) Updated the Cane Growers Management System to include more functionality to allow capturing of cane growers fields' data such as crop age, variety and cycle.

Objectives	Target for 2022/23	Annual Activities for fiscal year 2022/23	Key Performance Indicator	Implementation Status as at 30 th June 2023
	Approved sugar import volumes verified by June, 2023	To conduct verification of 250,000 MT to ports, ICD's and borders for approved sugar imported consignments by June 2023	Number of inspections conducted	A total of 328 inspections were conducted to which 245,000MT was inspected and released at different Borders and Ports.
			Number companies visited	Total of 42 companies which requested for allocation of industrial sugar and 11 companies for liquid glucose were visited to ascertain on actual usage
			Number of industrial sugar audits conducted	Sugar audit was conducted to 42 companies requested for allocation of industrial sugar and 11 companies for liquid glucose,
			Reports on industrial sugar audits	Reports on Industrial sugar audits were established as per the conducted Due Diligences
		To Coordinate Six (6) Technical Advisory Committee Meetings and Matters of Industrial Sugar by June 2023	Meetings of TAC conducted Legal Notice released	Four Meetings for TAC were conducted to deliberate matters of the committee as per the mandate provided in the Sugar Industry Act and Sugar Regulations.

2.8 BOARD'S EXTERNAL ENVIRONMENT

The external environment in which SBT operates goes beyond the national boundary to include the international environment. Below is the analysis of the external environment:

2.8.1 *Sugar Production and consumption in Eastern and Southern Africa Regions*

In exception of Uganda, which registered positive net trade from 2015 to 2018 and negative net trade in 2019 and 2020, production of sugar in the remaining EAC countries remained below domestic consumption over the past six years. Of the 15 SADC member states, seven countries - Malawi, Mauritius, Mozambique, South Africa, Eswatini, Zambia and Zimbabwe - are surplus producers of sugar. Angola, Democratic Republic of Congo (DRC), Madagascar and Tanzania - produce sugar, but not enough to meet domestic consumption demands. The remaining four- Botswana, Lesotho, Namibia and Seychelles - are non-producers of sugar. Thus, Tanzania's sugar is likely to compete with cheap sugar imports from the SADC member states, which are surplus producers.

2.8.2 Competition with other crops and natural sweeteners

The Tanzania Sugar Industry currently has no direct competition from other domestic crops for the production of raw sugar in the country. This competition is expected to rise slightly in the coming years in response to increased public health consciousness, which in turn would increase trend in consumer dietary preferences. However, sugar remains to be the major sweetener in the country.

2.8.3 Diversification

The Sugar Industry in Tanzania is very much reliant on raw sugar production that subsequently has kept the production cost of sugar with the current increase in investments in raw sugar production, sugar producers are likely to face competitions in the foreign export market of which leave producers with the only one option to produce competitive products. This can be achieved by increasing diversification into alternative sugarcane products including ethanol, co-generation of power, concentrated molasses solids (CMS). The ongoing Corporate Strategic Plan one of its strategies is to promote diversification options that are economically viable for the Sugar Industry to eventually reduce the average cost of producing sugar and contribute to renewable energy sector via export of additional power to national grid and ethanol production.

2.9 Political and policy environment

2.9.1 Political environment

Tanzania has enjoyed five smooth political transitions of Government and it is expected to remain politically stable in the future, as it has been in the past.

These political environment auspices well with conceptualization, initiation and implementation of the ongoing SBT Corporate Strategic Plan (2020/21-2025/26). The Sugar Board of Tanzania plans and budgets were prepared and implemented in line with ruling

political party (Chama cha Mapinduzi) Manifesto, the ruling party Manifesto requires the sugar industry to produce 700MT of sugar from local industries by 2025. The political environment in the country was calm for the Board to perform its functions.

2.9.2 Policy environment

The current policy environment is generally favourable to the development of the sugar industry, especially those relating to agriculture, land, industrial development, cooperatives, trade and marketing which includes, The Tanzania National Development Vision (2025), The Long-Term Perspective Plan (LTPP 2011/12-2025/26), Integrated Industrial Development Strategy 2025, Small and Medium Enterprise Development Policy 2002, National Agriculture Policy 2013 and Agricultural Sector Development Programme II (ASDP II).

2.10 Information and Communication Technology (ICT).

The Information and Communication Technology (ICT) services play crucial roles in providing support to regulatory functions, coordination, and monitoring and sharing information with stakeholders in the sugar industry. Systems that are in place to support regulatory services, monitoring and sharing information with sugar industry and other stakeholders include; Agricultural Trade Management Information System (ATMIS), Sugar Inspection App, Industrial Sugar Management System (ISMS), Sugar Production and Distribution Tracking System, Farmers Registration System (FRS).

The SBT has implemented several activities to improve ICT services including developing capacity of ICT staff, installing and configuring a network of firewall device to protect SBT Local Area Network (LAN) from unauthorized access, purchasing and maintaining computers with its software as user requests, improving website in collaboration with e-Government Authority (e-GA), introducing Enterprise Resource Management suite for managing internal business processes and activities electronically.

2.11 Societal Issues

The SBT operates within societies in Tanzania Mainland and cannot dissociate itself from these societies. In this regard, the Board has been participating and supporting financially the societies programs under the corporate social responsibility's funds. However, despite continuous participation and funding, demands from societies are higher than approved budgets. Going forward, the Board will increase its budget allocation and focus its contribution to specific programs related to the Sugar Industry.

2.12 Environmental Challenges

Unpredictable weather pattern and risks posed by global climatic changes has highly affected performance of the agriculture sector generally without exception of the sugar Industry, variability of rainfall in the sugarcane cultivation is the challenge which caused prolonged drought to sugarcane crop and resulted to low productivity.

The Board in collaboration with sugar industry stakeholders is planning to facilitate irrigation technology to address the matter, also ensuring access to high quality clean Seed cane that are drought resistant.

2.13 Resources

The SBT key strengths in the performance of its functions to achieve strategic objectives are pegged on a well-composed Board of Directors, effective Management systems and Management team, competent human resources, deployed ICT systems and effective internal controls. The Board had various resources which including:

2.14 Intellectual Resources

The SBT intellectual resources includes ICT application systems that has automated, facilitated, and modernized Board's operations in achieving its objectives and improved Regulatory Services and Sugar Industry Development.

Currently SBT has two major systems which have been registered into Government ICT Service Portal (GISP) as per e-Government Act No. 10 of 2019 and Regulation 2020. These systems have been used by SBT during the year 2022/23 and some modules and functionalities are still under development in order to fit SBT functions as shown in Table 12 below.

Table No. 12: SBT ICT systems registered into Government ICT Service Portal (GISP)

S/No.	ICT System Name	ICT System description and usage
1	Electronic Sugar Inspection System (ESIS)	<p>Electronic Sugar Inspection System enables Importers and Clearing Agents to request sugar inspection services and activities conducted at the ports of entry and Inland Container Depots (ICDs).</p> <p>Further, helps SBT Official to undertake inspection online with proper notification of Sugar inspection activities to the SBT Management.</p> <p>The system has been integrated with Agricultural Trade Management Information System (ATMIS) for authentication details for the Quick Response (QR) Coded sugar import licenses of sugar importation during Inspection.</p>
2	Cane Growers Management System module of Sugar Production and Distribution Tracking System.	<p>SBT developed and used as pilot, the Cane Growers Management System module of Sugar Production and Distribution Tracking System.</p> <p>This system has other 3 modules to be developed which, include Sugar Manufacturers Management, Sugar Distribution, Sugar Stocks and Prices Management module. In 2022/23 the system has helped SBT undertaking registration of Cane Growers and their farms or fields.</p>

Furthermore, in order to reduce duplication of efforts and systems, SBT has adopted most of the systems from Public Institutions as shown in Table 13 below:

Table No. 13: SBT's ICT systems from other Public Institutions

S/NO.	ICT System name	Owner Entity	System usage For Year 2022/23
1.	Government Electronic Payment Gateway (GePG).	Ministry of Finance and Planning (MOFP)	In 2022/23 SBT continued to use GePG in process of collecting payments for sugar import levy from sugar importers and rent fee from the tenants. This has helped SBT in simplified mode of collection of payment and compliance to Finance Act of 2019.
2.	Agricultural Trade Management Information System (ATMIS)	Ministry of Agriculture(MOA)	ATMIS has been used by SBT for provision of registration and licensing services to Importers of Sugar. However, ATMIS has been integrated with GePG to enable online bill generation which is issued to clients for electronic payment. ATMIS has helped SBT clients to apply registration and license including getting control number for payment remotely without physical visitation to the SBT Office.
3.	Enterprise Resource Management System (ERMS)	e-Government Authority (e-GA)	ERMS has enabled SBT Administration and Accounting officers to execute payroll in the system and hence all SBT Staff viewed and printed their salary slips at their Computer Desktops in respective offices. ERMS simplified the process of Payroll preparation and approvals towards salary payments.
4.	Government Mailing System (GMS)	e-Government Authority (e-GA)	GSM obviously helped SBT in formal and official communication between SBT and the clients and other public and private institutions.
5.	Planning and Reporting System (PLANREP)	Office of Treasury Registrar(OTR)	The Preparation of the Annual Budget for the year 2022/23 was undertaken through PLANREP and submitted to the Office of Treasury Registrar by SBT accordingly.
6.	Tanzania National e-Procurement System(TANePS)	Public Procurement Regulatory Authority (PPRA)	SBT has executed relevant Procurement activities into the TANePS system, hence SBT has widen up competition among service providers or suppliers to enhance value for money.
7.	Air-ticketing system	Air Tanzania Co. Ltd	SBT used the system of ATCL to book and arrange for flight tickets of SBT Officials when travelling away for official duties.
8.	Office of Treasury Registrar Management Information System (OTRMIS)	Office of Treasury Registrar(OTR)	Management Information of Board Members of the SBT Board of Directors is performed under OTRMIS in which the information was uploaded and updated are requirements of the Office of Treasury Registrar
9.	Government Asset Management Information System(GAMIS)	Ministry of Finance and Planning (MOFP)	GAMIS has helped SBT in managements of assets information, including quality, location and value of assets.
10.	Government Audit Recommendations Implementation Information Tracking System (GARI-ITS)	Ministry of Finance and Planning(MOFP)	SBT used the GARI-ITS and helped SBT Internal Auditor to submit quarterly reports to the Internal Auditor General Office.

S/NO.	ICT System name	Owner Entity	System usage For Year 2022/23
11.	GPSA Integrated Management Information System (GIMIS)	Government Procurement Services Agency (GPSA)	SBT has used the system, and helped SBT to get fuel services from 26 GPSA regions, compared previous manual system which allowed only region. Further, procurement of fuel has been improved and simplified through the System.

In general, application of ICT systems improves the service delivery process and enhances efficiency. The Board shall continue with its initiative to automate business operations to enhance efficiency and reduce operations costs. The intellectual resources in Tanzania are regulated by the Government Authority of which the Board being a government Institution is complying with standards provided. The intellectual resources can also be affected by speed of global technological changes, changes of government legislations, systems hackers and unexpected power outage. However, the Board has a comprehensive recovery system in case of any disaster to meet future demand.

2.15 Human Resources

As at 30 June 2023, the Board had 41 skilled, committed, motivated and competent employees dedicated to providing quality services that meet customers' expectations. Management adheres to the principles of good governance and promotes good working environment and staff relations. In addition, the Board has continually invested on human resource development through training and internal coaching, staff engagement in decision making, recognition of staff performance, review and propose a competitive remuneration.

2.16 Social and Relationship Resources

The Board's social and relationship resources is composed of ethical and transparent relationship with its customers, regulated service providers, suppliers, regulatory bodies, Government and the general public who are internal and external stakeholders by establishing harmonious relationship. The Board's creates shared value strategy relating to social development initiatives such as education and leadership development, financial inclusion, health and safety facilities which are delivered to the communities in the areas of operations.

Factors that may affect availability of these resources in terms of quality and affordability of social and relationship include Board's failure to participate and contribute to local and international communities' activities, non-payment of contributions and subscriptions to respective organs in this area, and low level of transparency and engagement with stakeholders. Despite these, the Board maintain its commitments and initiatives on social and relationship resources to continuously meeting existing and future demand.

2.17 Natural Resources

The Board is taking various interventions to ensure environmental protection and management in the Sugar Industry as per the prevailing National Environment Management Regulations. The Board has developed various guidelines governing sugarcane management practices and sugar processing which are not detrimental to the environment. The Board natural resources managed includes water, soil, air and plants.

In safeguarding natural resources, the Board had developed good sugarcane husbandry guidelines as per Regulation 10 - (1) (2) of the Sugar Industry Regulation which provides that every sugarcane grower shall carry out sugarcane farming activities in the most efficient manner. The guidelines provide that, the grower shall at all times maintain clean fire breaks between and around his field with a minimum of four metres wide between one field and the other in order to avoid fire accident which may result to bush burning.

Other developed guidelines include Mill Pests Control Committee (MPCC), which amongst its activities is to ensure proper usage of chemicals in controlling plant pest and diseases in order to maintain the planet earth ecosystem. Further, as per National Environment Management Regulations the Board is ensuring proper handling and treatment of chemicals used in sugar processing which may result to loss of soil flora and fauna. Moreover, the Board is managing unplanned sugarcane cultivation expansion programs in all sugarcane growing areas which may results to clearing of *forests*, cultivating in water catchment areas and cultivating in riverbanks.

2.18 Financial Resources

The Board enhances its financial resources by improving management of its financial resources through decreasing illegal and smuggled sugar importation in the country, and this will enhance sugar levy collection, implementing initiatives for real estate management and rent collection system to generate adequate revenue for timely implementation of planned activities.

The Board Sources of finance is derived from the mandate it has been given through Section 24(1) of the Sugar Industry Act, CAP 251 which consists:

- Such sums of money as may be provided by the Parliament;
- Any monies raised by way of loans, donations or grants made within or outside the United Republic of Tanzania;
- Any monies raised by way of cess or levy imposed by the Board under provisions of this Act;
- Any loan or subsidy granted to the 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 or any other written laws; and
- Any grants, donations, bequests, money derived from loans and other payment or property due to the Corporation in respect of any matter incidental to the carrying out of its functions.

Factors that may affect availability of financial resources include COVID 19 occurrences which led to low level of international business, shift of Government functions to Dodoma affected SBT revenue from real Estates since Sukari House building was mainly occupied by government institutions which moved to Dodoma. Nevertheless, the Board took administrative and legislative measures to ensure financial resources are available to finance existing and future programs. Despite the challenges mentioned above the Board recorded revenue of TZS 10.02 billion in the year 2021/22 financial year monetary and non-monetary from her own sources.

2.19 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

2.19.1 Principal Risks and Uncertainties

The Board's principal risks and uncertainties with their impacts and mitigation measures are summarised on Table 14 below;

Table No. 14: SBT's Risks, Impact and Mitigation Measures

S/No.	Risks and Impact		Risk Mitigations
1	Strategic	The Board is exposed to strategic risk with regards to Board's strategy selection, prioritization, modification, and implementation that jeopardize achievement of the Board's goals and objectives. The Board takes a momentous effort to manage strategic to the minimum acceptable level to ensure Board's relevance and ability to continue to operate effectively.	The Board mitigates and manages strategic risk through detailed risk assessment processes that will make a basis for risk tolerance which emphasize the importance of integrity, maintaining high quality staff, and public accountability.
2	Quality service delivery	<ul style="list-style-type: none"> The Board considers meeting stakeholders and clients expectations with quality regulatory and development services delivery to have a huge impact to sugar industry. Sustainability of the sugar industry depends on quality of regulatory and development services rendered to stakeholders of the sugar industry and readiness of regulated stakeholders. Risk exposure to the Board that could impact the quality service delivery to its clients includes: - Possibility of cane growers accessing unclean seed cane leading to low sugarcane yield and productivity caused by reluctance of farmers in 	<ul style="list-style-type: none"> The Board has conducted sensitization program and create awareness to stakeholders and enforcement of the Sugar Industry Act and regulations and close monitoring to sugarcane growers. The Board has activated the Pest and Diseases Committee in the sugarcane growing areas, facilitated the access to clean seed cane and development of Hot water treatments to cane growers. The Board facilitated research for development of new varieties and facilitate the adoption of irrigation technologies. The Board has established Performance contract between Board and Millers and monitor its executions; The Board conducts training and sensitization campaign on GAP and undertake monitoring performance of sugar manufactures; The Board undertake training to staff on key; promote earmarked areas for new sugar and sugarcane investment, review both sugarcane husbandry and P&D

S/No.	Risks and Impact		Risk Mitigations
		<p>adoption of Good Agronomic Practices, costs of accessing clean seed cane, unavailability of hot water treatment facilities at cane growers' levels;</p> <ul style="list-style-type: none"> • Possibility of unpredictable weather of excess rainfall and conditions that affect sugarcane productivity caused by environmental degradation, human economic activities and Global warming; • Possibility of stakeholders' underperformance in sugar and sugarcane production value chain may result into insufficient low sugar mill crushing capacity caused by Mill breakdown, insufficient supply of cane, low Productivity, low recoveries, inadequate regulatory intervention and Inadequate skilled staff • Possibility of increased Flow of Smuggled Sugar into Local Market via Porous Route across the country borders which may lead to distortion of domestic market caused by Low Supply of Domestic Produced Sugar to Meet the Market Demand; Price Differences/Fluctuation; Unfaithful Traders; Customer Preferences; Corruption and Sugar repackaging; • Possibility of Malicious fire accidents in Sugarcane farms may lead to loss of raw material for mill crushing. 	<p>Guideline manual, liaise with National Sugar Institute (NSI), TARI-Kibaha on Harmonization of training manual, Establishment of MPCC and Revamping of synchronized and block farms;</p> <ul style="list-style-type: none"> • The Board has introduced distinguishing feature to locally produced Sugar, strong compounding office in the Sugar Industry Act. and Regulation, enhance local production to meet domestic demand at low costs, strengthen our legal offenses to all sugar culprit, Strong compliance policies, Consistent follow up and monitoring of traders' stocks, Continuous vetting to all involved officers to ensure personal integrity is maintained, maximize production of pre-pack to avoid re-filling and repackaging; • Enhance Strong monitoring of fire break campaign, monitoring execution of Cane Supply Agreements (CSA) between Cane Growers and manufactures, Strengthen regulations on fire control mechanism, ensure enforcement of 5% penalty, reduce sugar mill breakdown and ensure consistency of Loss Time Available (LTA) to single digit, enhance training to Cooperative Society leaders on quality governance procedures, undertake continuous training to Coop. Leaders on impact of corruption and how to identify syndicates of corruption to any ongoing mission, upgrade farm access infrastructures to improve burnt to crash hours is maintained and ensure proper harvesting master plan in place which will reduce syndicates.
3	Reputation	The risk that negatives perception jeopardizes the	Board to reduce risk exposure to damage of reputation by: -

S/No.	Risks and Impact		Risk Mitigations
		<p>Board's credibility, achievement of mission and strategic objectives, or ability to maintain the Board's role of providing effective regulatory and development services in promotion of sugar production and availability. Reputation risk is inherent in all Board's activities and encompasses factors such as regulatory capture; employee conduct; human resource practices; supervision, legal, licensing, and policy decisions; and information security. Board is exposed to:</p> <ul style="list-style-type: none"> • Inadequate registration and licensing integrity resulting in the compromise of established standards and legal/reputation risk exposure; • Qualified opinion by external audit resulting into reputation risk; • Possibility of Financial Statement fraud to occur due to weak internal control system, Unethical behavior, Collusion between staff and suppliers, Inadequate motivation of employees, absence of fraud and corruption prevention program 	<ul style="list-style-type: none"> • Conducting sensitization program to service provided and users on safety and security requirements; • Establishment of comprehensive examination and licensing system; Review examination and licensing and; • Strengthening internal controls by creating awareness to staff on Code of ethics, standing order, Accounting Manual, Financial Regulation and Client Service Charter; conducted regular training on ethical, fraud, corruption and related matters; proposed improvement of incentives scheme, develop and operationalize fraud prevention program and implementation of internal and external audit recommendations.
4	Financial Management	<p>The Board exposure to financial risk that financial resources may be impaired due to adverse economic conditions, reduction in assets under supervision, inefficient resource utilization, or increasing expenditures reducing the ability to</p>	<ul style="list-style-type: none"> • The Board mitigated the exposure to financial risk by instituting an effective and efficient revenue collection system by enhancing close supervision for debt collections, improved mechanisms of debt collections using Court Brokers and eviction of defaulted tenants when deem necessary to ensure availability of funds to finance its strategies; Board prepares an

S/No.	Risks and Impact	Risk Mitigations
	<p>successfully complete the Board's strategies.</p> <p>The Board manages these risks cautiously due to the inherent possibility of fraud and financial mismanagement.</p> <p>Owing to its position, the Board has no appetite for any practices that will lead to financial waste, fraud, embezzlement, or any form of financial mismanagement by its employees and other stakeholders.</p> <ul style="list-style-type: none"> • Financial Risk Unavailability of adequate financial resources to support the identified strategies this may be led by changes in Government laws and regulations governing sugar industry, inadequate follow up to tenants for rent payment and no adherence to lease agreements, possibility of tenants to prematurely terminate their tenure from rented properties due to deterioration of building conditions, Inefficient building Maintenance schedule and Stiff competition in the real estate market. • Market Risk The risk associated with changes in market prices, foreign exchange rates and interest rates. The Board may be exposed to market risk of changes in rental rates, recession in real estate business, change in foreign exchange rates and interest rates affecting the Board's income or the value of financial instruments (TB). 	<p>annual planned budget in line with the Government Guidelines on the preparation of Medium Term Expenditure Framework (MTEF) including sources of revenue together with three years revenue projections.</p> <ul style="list-style-type: none"> • The Board placed controls to mitigate exposure to market risk related with real estate by allocating budget for repair and maintenance of rented properties, improved maintenance and rehabilitation schedule Consistent improvement of building quality and architecture developed a Real Estate policy, introduced Investment and planning committee and Board properties supervision committee; this will help to manage rented properties into tenable state which will attract new tenants and reduce vacancy rate and improve revenue collection from real estate to attract and retain tenants. • The Board reduces exposure to liquidity risk by maintaining bank accounts with Bank of Tanzania (BOT) and other commercial banks both TZS and USD. • The Board has mitigated exposure to credit risk by maintaining cash and cash equivalents with preferred and reputable financial institutions including Bank of Tanzania; compliance with government directives by transferring revenue collections from GEPG collection accounts to Board accounts held at BOT; recovering staff debts, imprest and salary advances with applicable regulations directly from the employee's salary. • The Board manages liquidity risk to ensure that the Board is able to meet estimated expenditure requirements based on approved expenditure parameters and through use of cash flow projections. This is achieved by maintaining sufficient cash and cash equivalents and ensuring that receivables are settled within appropriate time limit.

S/No.	Risks and Impact		Risk Mitigations
		<p>The Board's objective of market risk management is to manage and control market risk exposure within acceptable levels while optimizing the return on the risk.</p> <ul style="list-style-type: none"> • Credit Risk Risk associated with financial instruments that one part fails to discharge its financial obligation and cause Board to incur financial losses in the event of non-performance by counterparties to financial instruments. • Liquidity Risk There may be a possibility that the Board may fail to meet its obligation as they fall due. The Board is managing liquidity risk to ensure that sufficient assets are maintained to meet its liabilities with they fall due. 	
5	Compliance with legislations	<p>The Board's operations are subject to a wide range of legislation that govern regulation of the sugar industry sector and as a public institution that must be adhered to in execution of her mandated role in the Sugar Industry.</p> <p>The Board adapt to changes in legislation and other governing regulations that will negatively impact the operations and regulations functions of the Board.</p> <p>The Board has no tolerance for compliance breaches. There should be no excuse for non-compliance to laws and regulations that are</p>	<p>The Board dedicated a material human and financial resources to ensure Compliance with Government legislations and Board's policies procedures by :-</p> <ul style="list-style-type: none"> • The Board conducts periodic inspections to ensure adherence to prescribed standards and regulations, taking appropriate actions to prevent violation of regulations by various stakeholders of the sugar industry sector. • The Board has established adequate financial controls, apply appropriate procurement processes, periodic examination of financial controls and procurement processes. • The Board has established the required processes for creation of required legislation to ensure enactment of an enabling legal framework;

S/No.	Risks and Impact		Risk Mitigations
		applicable in the daily conduct of the Board's operations.	
6	Human Capital Management	<p>Human capital is the key components in implementation of Board's strategy and meets expectation of our stakeholders including Cane Growers, Sugar Manufacturers and user of sugar and sugar by products.</p> <p>Inadequate human capital management, shortage of key skills and inadequate training and development program to improve employee skills and knowledge, unattractive incentive scheme and inadequate performance management and measurement could impact the Board's ability to achieve established strategies and annual targets.</p>	<ul style="list-style-type: none"> • The Board has developed a attractive incentive scheme to retain and attract employee with key skills and improved recruitment processes through UTUMISHI; • The Board in its annual budget has set aside fund to finance training and development programs for its employee to acquire new skills and align themselves with the new emerging technologies, skill set and knowledge. • The Board has effectively translated strategic plan targets to annual plans and Periodic comparison of actual performance with the planned outcomes and; • The Board has established a comprehensive performance management system.
7	Data and information security	<p>The Board relies on Information Technology in key operations including registration, licensing, inspection, accounting, and payments are automated.</p> <p>Any significant disruption or failure to manage IT systems, caused by external factors, denial of service, computer viruses or human error could result in a service interruption, accident or misappropriation of confidential information due to vulnerability of Information Systems, inadequate Internet Service, and possibility of systems owned by other entities may</p>	<ul style="list-style-type: none"> • Board has enhanced protection of information and data management and further enhanced its IT security processes and procedures. • Further strengthened its IT project management capability by engaging eGA to ensure that there is appropriate governance in place and changes in eGA guidelines balances the value of Board to control its information and data with the duty of protecting stakeholders' privacy and security, moreover; • The Board has developed IT policies, existence of active ICT Steering Committee and registered all of its IT related projects to eGA to ensure safety and security before development; • The Board has created awareness to users to ensure that they understand the importance of data security and their

S/No.	Risks and Impact		Risk Mitigations
		weaken control, monitoring, and maintenance may adversely affect data and information security of the Board and external stakeholders of the Board.	<p>obligation in relation to data they access, segregation of duties to control information and regular review of access control in the system to ensure security of data and information.</p> <ul style="list-style-type: none"> The Board uses Agricultural Trading Management Information System (ATMIS), SUKARI Inspection App, Government Electronic Payment Gateway (GePG) and Handwritten Signature on license to ensure security of information.

2.19.2 Opportunities

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

- Growing demand for sugar and sugar products.
- Potential for horizontal and vertical expansion sugarcane production
- Potential for production by-products and value-added products of sugar
- Unutilized mill processing capacity
- Adequate land, water resources and suitable weather for cane growing.
- Increased foreign and local investments in the sugar industry
- Cane production is considered as a high priority sector by the Government
- Political stability and peace in the country
- Existence of enabling legal and regulatory environment for execution of mandate and functions of the Board.
- Strong support from development partners and trade cooperation from regional trade blocs.
- Collaboration and networking with national and international research institutions
- change in customer habit of sugary product

2.19.3 Assumptions on Risks and Uncertainties

The Board considered the following assumptions during assessment of the risks, uncertainties, and opportunities

- Existence of market distortions
- Illegal importation of sugar
- Lack of diversification of sugar products
- Unpredictable weather pattern and risks posed by global climatic changes
- Pests and disease outbreaks
- Inadequate and poor irrigation infrastructures
- Lack of concessional credit facilities with preferential long-term maturity and low interest rates.
- Dependency on imported sugarcane planting materials
- Insufficient support for input supply to cane growers

- (x) Instability in the price of fuel and lubricants.
- (xi) The political environment will remain stable and political support for the Board.
- (xii) Stable and predictable regulatory environment like policies, Laws and Regulations.
- (xiii) Stable relationship with key stakeholders in the Sugar Industry.
- (xiv) Availability of sufficient funds and other resources for the implementation of regulatory functions.

2.20 STAKEHOLDERS' RELATIONSHIP

The Board operates in a manner that recognizes all her key stakeholders in the sugar industry value chain. These include, growers, sugar producers, Users of industrial sugar and sugar by products, importers of sugar and by products, consumers, and traders. Further, the Board does recognize the Government as the biggest stakeholders in which the Board has an important role to ensure that key strategic interventions brought forward by the Government are fulfilled as per the requirement of the laws.

The fore mentioned stakeholders were involved with the Board through stakeholders' forums, consultative meetings, exhibitions, seminars, and workshops. In that aspect, the Board identified the following stakeholders as key in her operations; the Government, Employees, Sugarcane Growers, Sugar Producers, Users of sugar and Sugar by-products and Financial Institutions.

2.20.1 The Government

The Government of the United Republic of Tanzania through the Ministry of Agriculture established the Board with the overall function of regulating and developing the Sugar Industry. The Government has a role of supporting the industry through policies, regulation, and provision of conducive environment for all stakeholders in the industry.

The Board delivers her role to the Government of the United Republic of Tanzania through the sectoral Ministries of Agriculture, Investment, Industry and Trade, Finance and Planning, Land Housing and Human Settlement Development, and TAMISENI.

On the other hand, the Board works closely with Government institutions namely; Tanzania Bureau of Standards (TBS), Tanzania Revenue Authority (TRA), Tanzania Atomic Energy Commission (AEC), Tanzania Ports Authority (TPA), and TIC.

2.20.2 Key Concerns

The government concerns to the Board includes the following:

- Contribute 15% of Boards gross revenue as remittance to the Government Consolidated Fund.
- Effective regulating of the Sugar Industry.
- Continuous development of smallholder cane growers in the sugar industry.
- Promote training and technological advancement in the Sugar Industry.
- Create competitive environment and fair play among all stakeholders.
-

2.20.3 Value we create

- Remittance of 15% gross revenue to the Government Consolidated Fund contributes to the government revenues;
- Effective regulation of regulatory services and timely issuance of all licenses and registration certificates;
- Promote the development and sustainable investment in the sugar industry;
- Providing knowledge and skills on Sugarcane Husbandry Practices to stakeholders (Outgrowers); and
- Provide a conducive environment and fair play among all sugar industry stakeholder.

2.20.4 Employees

Employees are key to the Board in fulfilling all its mandatory functions. Employees need to find the Board to be a place of work that inspires and elevating personal experience and consequently accepts co-responsibility for the career development of each employee to the full potential. Career development is the process of choosing a career, improving one's skills, and advancing along it.

2.20.5 Key Concerns

Employees as key stakeholder in achievement of the SBT objectives need to have the under listed concerns;

- Conducive working environment with trust,
- Motivation and recognition,
- Transparency in operations and decision making,
- Better salary and benefits and
- Defined career path development.

12.1.1 Value we create

- Provide trainings that assist in building and developing employees' skills for career development and improve the organization services.
- Rewarding employees for their input towards fulfilling the Board's responsibilities.
- Motivating the employees.
- Timely payment of employee's entitlements.

12.1.2 Sugarcane Growers

Sugarcane growers have a key role in the sugar industry of supplying sugarcane to sugar manufactures.

i. Key Concerns

- Timely registered sugarcane growers and issue Grower's Registration Number.
- Effective training on Good Sugarcane Agronomic Practices.

- Fair selling price of sugarcane for Out-growers to sugar manufacturers and timely payments for the sales.
- Resolve misunderstandings among grower AMCOS, millers, service providers and other stakeholders; and
- Capacitate growers on acquisition of capital/loans.
- Availability of sugarcane farm inputs.

ii. Value we create

- Registration of sugarcane growers and providing them with Growers Registration number.
- Effective training and adherence to sugarcane growers on Good Sugarcane Agronomic Practices.
- Oversee effective execution of the Cane Supply Agreement between cane growers and sugar manufactures.
- Resolve misunderstanding timely among grower AMCOS, millers, service providers and other stakeholders.
- Provide guidance to out growers on accessibility of funds from financial institutions.
- Ensure availability of sugarcane farm inputs to out growers.

12.1.3 Sugar Manufacturers

Sugar Manufacturers are among the key stakeholders as they manufacture sugar for domestic use.

i. Key Concerns

- Register and provide registration certificate as sugar manufacturers.
- Safeguard the sugar industry from market distortions and effectively protect local sugar production.
- Fair negotiations during cane supply agreement with cane growers.

ii. Value we create

- Registration and provision of registration certificate to sugar manufacturers;
- Actively cooperation with relevant Government authorities in inspection of licensed and illegal sugar importation in border regions and other places;
- Engaged with the Tanzania Revenue Authority (TRA) in audits of transit sugar movements to ensure that it is not diverted to the local market; and
- Oversee sugarcane supply contract between cane growers and sugar manufactures.

12.1.4 Users of sugar and sugar by products

Users of sugar and sugar by products include all sugar and sugar by products importers, distributors, and consumers.

i. Key Concerns



- Timely registration of all users of sugar and sugar by products and provision of registration certificates.
- Timely provision of sugar and sugar by products import licenses.
- Effective inspection of imported sugar and sugar by products at borders and ports.
- Ensure availability of domestic sugar to consumers at a reasonable price.

ii. Value we create

- Register and provide registration certificate to all users of sugar and sugar by products.
- Provide import licenses to all users of sugar and sugar by products.
- Timely and effective inspection of imported sugar and sugar by products at borders and ports.
- Provide indicative price of domestic sugar in case of high escalation of sugar prices.

12.1.5 Financial Institutions

Financial Institutions are important stakeholders for ensuring development of the sugar industry. Their role is to provide financial services including loans to the millers and cane growers, hence contributing substantially in enhancement of sugarcane production and productivity.

i. Key Concerns

- Effective registration of all cane growers and sugar manufacturers.
- Provision of sugar industry data such as sugarcane and sugar production capacities of the mills, sugarcane and sugar prices and any other related data.
- Arranging of out growers AMCOS into Geographical Zone.
- Resolve conflict between millers, out growers and services provider.

ii. Value we create

- Effective registration of all cane growers and sugar manufacturers.
- Collect, analyses and disseminate sugar industry data on needs basis.
- Arranged Out growers AMCOS into Geographical Zone which attract.

2.21 CAPITAL STRUCTURE AND TREASURY POLICIES

2.21.1 Capital Structure

The Board's capital structure for the year ended 30 June 2023 consisted of Capital Fund of TZS 6.57 billion (30 June 2022: TZS 6.57 billion) and accumulated Surplus of TZS 56.187 billion (30 June 2022: TZS 55.81 billion). The Capital Fund was established from the defunct Sugar Development Corporation (SUDECO) at the establishment of Sugar Board of Tanzania in July 2003.

2.21.2 Treasury Policies and Objectives

SBT treasury policies involve mechanisms established by the Board, which delegates financial decisions to Management in a controlled manner. The control instruments in place include legislation, Government Circulars, Guidelines, and the Board resolutions on opening, operating, and signing mandate to the bank accounts and SBT Financial Regulations. The

main objective is to ensure proper control and safeguard of the Government financial resources. Under these mechanisms, the Board's revenue is collected and remitted directly to the Boards revenue collection accounts maintained at designated commercial banks using GePG system; and weekly, on Monday, to the Board's revenue collection account maintained at BOT. All expenditures of the Board are incurred within the approved limits in the approved annual budget.

2.21.3 Solvency

The Board of Directors have reviewed the current financial position of SBT. Based on the review, the Directors believe that SBT's position as expressed in the financial statements and that it has been prepared on an ongoing concern basis. SBT has enough resources to enable it to run its operations for the foreseeable future.

2.21.4 Related Party Disclosure

The Sugar Board of Tanzania is a Public Institution whose operations are governed by the Sugar Industry Act, 2001. The Board is under the Ministry of Agriculture. Related party relationship exists between the Board of Directors and Management and there is no conflict of interest in the execution of their functions. Related party transactions and balances in accordance with the International Public Sector Accounting Standards (IPSAS) for key Personnel (Directors and Management team) are presented in Note 36 to the financial statements.

2.22 CORPORATE GOVERNANCE MATTER

2.22.1 Corporate Governance Statement

The Board of Directors is committed to ensuring that a strong governance framework operates throughout the Sugar Board of Tanzania, recognizing that good corporate governance is a vital component to support management in their delivery of the Sugar Board's strategic objectives, and to operate a sustainable business for the benefit of all sugar industry stakeholders. The Sugar Board recognizes that the process of identifying, developing, and maintaining high standards of Corporate Governance suitable for the Board is ongoing and dynamic to reflect changes in the Sugar Board and its business, the composition of the Board Directors and developments in Corporate Governance.

2.22.2 Membership Charged with Governance

The Board of Directors consists of Chairman and eight members as established under Section 3 (2) of the Sugar Industry Act, No.26 of 2001 (CAP 251). The Chairman is appointed by the President of the United Republic of Tanzania and the Board Members are appointed by the Minister responsible for Agriculture.

The appointment of Board Members for the current tenure was done by Minister responsible for Agriculture whereby, seven members were appointed on 22nd March 2022. While the Chairperson was subsequently appointed by the president of the United Republic of Tanzania on 25th August 2022.

The names of Board Directors for the current financial year 2022/23 is shown on Table 15 below;

Table No.15: Names of SBT's New Board of Directors for the Year 2022/23

S/No	NAME	POSITION	NATIONALITY	QUALIFICATION	AGE	APPOINTMENT
1.	Mr. Filbert Michael Mponzi	Chairperson	Tanzanian	Master's in business administration (MBA), Bachelor Degree of Commerce and Finance (B.com-Finance)	47	25 th August 2022
2.	Mr. Hussein Suphian Ally	Member	Tanzanian	Bachelor of Science in Chemistry	49	22 nd March 2022
3.	Mr. Ephraim Balozi Mafuru	Member	Tanzanian	Master's in business administration and Management, Bachelor Degree of Commerce and Management (Marketing)	51	22 nd March 2022
4.	Mr. Fulgence Renatus Bube	Member	Tanzanian	Bachelor's Degree in Accounting	51	22 nd March 2022
5.	Mr. Paulo Matiko Chacha	Member	Tanzanian	MBA- Disaster & Risk Management, BSc. Urban & Regional Planning	36	22 nd March 2022
6.	Mr. Jitihada Yusuph Chelenzo	Member	Tanzanian	Ordinary level Secondary Education	53	22 nd March 2022
7.	Ms. Pelagia Zakaria Kayunga	Member	Tanzanian	Diploma in Education	60	22 nd March 2022
8.	Mr. Obadia Mugasa Kameya	Member	Tanzanian	LL.M (Hons), CLE and LLB	51	22 nd March 2022

9.	Prof. Kenneth M. K. Bengesi	Secretary	Tanzanian	PhD (strategic Entrepreneurship & Business Management Msc. (Agriculture) BSc. (Agriculture	55	22 nd March 2022
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Source: Appointment Letters from the Ministry of Agriculture, Board Chairperson and Members Curriculum Vitae, and Board Attendance Register

2.22.3 Meetings of the Board of Directors

The Board of Directors is required to meet at least four times a year and at such other times as may be necessary or expedient for the transactions of business. During the Financial Year 2022/23, the Board of Directors held Four (4) Ordinary meetings and two (2) Special Meetings at AICC Conference Centre and SBT- Board Room where the following matters were discussed and deliberated; -

- (a) Appointment of the Board of Director's Sub-Committees.
- (b) Approval of SBT's Un-Audited Financial Statements for the Financial Year 2022/2023.
- (c) Approval of TAC Recommendations on importation of Gap Sugar for the Financial Year 2022/2023
- (d) Approval of SBT's Budget for the Financial Year 2023/2024.
- (e) Approval of SBT's Budget Reallocation.
- (f) Approval of Promotion and Increments to SBT's Qualified Staff for the year 2022/2023.
- (g) Approval of Temporary Employment of Agricultural Officer
- (h) Approval of Mou between SBT, TARI-Kibaha and Prison Corporate Sole for development of Sugarcane Nursery
- (i) Approval of Service Level Agreements between SBT and TEMDO for the development of Mini-Sugar Plant and Hot Water Treatment Plant.
- (j) Approval of Mou between SBT and Dar Teknohama Business Incubator (DTBi) for Developing Sugar Production and Distribution Tracking System.
- (k) Approval of SBT's ICT Strategy and ICT Security Policy
- (l) Approval for a proposal for reduction of rental rate at Sukari House
- (m) Approval for developments of SBT's Kipawa Godown, Plots No.1514-1519 and Plot No.73 located at Ilala Shariff Shamba and Msasani Peninsular.
- (n) Approval of Annual Risk Based Internal Audit Plan for the Financial Year 2023/2024

2.22.4 Committees of the Board of Directors

In order to increase efficiency and performance of the Board of Directors; Board of Directors of the Sugar Board of Tanzania through its 53rd Special Meeting held on 11th October, 2022 at AICC Arusha formed Three Committees to assist the Board in discharging their duties and responsibilities. However, the Board of Directors remains accountable. The Committees formed were as follows;

- (i) Finance and Administration Committee.

- (ii) Audit Committee.
- (iii) Investment and Planning Committee.

2.22.5 Finance and Administration Committee

The Finance and Administration Committee was formed to deal with financial, Human Resources and Administration Matters. This Committee is comprised of three members, A Chairman and Two Board Members.

During the year ended 30th June 2023, the Finance and Administration Committee conducted one (1) Special Meeting and four (4) Ordinary meetings. The names of the members who served during the Financial Year ended 30 June 2023 are Shown in Table 16 below:

Table No. 16: Board's Finance and Administration Committee Members in 2022/23

S/No	Name	Position	Nationality	Age	Appointment	Resignation	Meetings attendance
1.	Mr. Fulgence RenatusBube	Chairman	Tanzanian	51	22 nd March 2022	22 nd March 2025	4/4
2.	Prof. Kenneth M.K Bengesi	Secretary	Tanzanian	55	22 nd March 2022	22 nd March 2025	4/4
3.	Mr. Paulo Matiko Chacha	Member	Tanzanian	36	22 nd March 2022	22 nd March 2025	4/4
4.	Ms. Yusuph Jitihada Chelenzo	Member	Tanzanian	53	22 nd March 2022	22 nd March 2025	4/4
5.	Ms. Lightness Mariki	Co-Opted	Tanzanian		22 nd March 2022	22 nd March 2025	4/4

Source: SBT Board Members Curriculum Vitae and Letters of appointment.

The Finance and Administration Committee, during the financial year under review, discussed and deliberated on the following matters: -

- i. Finance Progress Reports for the Financial Year 2022/2023(1st July2022 to 30th June,2023);
- ii. SBT Revenue Collections, expenditure, and Cash Position for the Financial Year 2022/2023.
- iii. Recommendation on the Contribution of 15% of SBT income to the Government Consolidated Fund for the Financial Year 2022/2023.
- iv. Human Resources and Administration Reports for Financial Year 2022/2023.
- v. Recommendation to the Board of Directors on SBT Staff Matters for Approval.

2.22.6 Investment and Planning Committee

The Investment and Administration Committee was formed to assist the Board of Directors in overseeing resources, planning for Investment, and budgeting. This Committee is comprised of three members, Chairperson and two Board Members.

During the year ended 30th June 2023 the Finance and Administration Committee held four ordinary Meetings at SBT Board Room. The names of the members who served during the Financial Year ended 30th June 2023 are Shown in Table 17 below:

Table No. 17: Composition of Investment and Planning Committee Members

S/No	Name	Position	Nationality	Age	Appointment	Resignation	Meetings attendance
1.	Mr. Hussein Suphian Ally	Chairman	Tanzanian	50	22 nd March 2022	22 nd March 2025	4/4
2.	Prof. Kenneth M.K Bengesi	Secretary	Tanzanian	55	22 nd March 2022	22 nd March 2025	4/4
3.	Mr. Paulo Matiko Chacha	Member	Tanzanian	36	22 nd March 2022	22 nd March 2025	4/4
4.	Ms. Jitihada Yusuph Chelenzo	Member	Tanzanian	53	22 nd March 2022	22 nd March 2025	4/4

Source: SBT Board Members Curriculum Vitae and Letters of appointment.

The Investment and Planning Committee, during the financial year under review, discussed and deliberated on the following matters: -

- (a) Recommendation on Regulatory Services Department Progress Reports for the Financial Year 2022/2023.
- (b) Recommendation on Development and Planning Department Progress Reports for the Financial Year 2022/2023.
- (c) Recommendation on Legal Services Unit Progress Reports for the Financial Year 2022/2023.
- (d) Recommendation on Estate Management Section Progress Reports for the Financial Year 2022/2023.
- (e) Recommendation on ICT Unit Progress Reports for the Financial Year 2022/2023.

2.22.7 Audit Committee

The Audit Committee was formed to assist the Board of Directors in fulfilling its supervision over financial Audit, the system of internal control, external and internal oversight functions, procurement, risk management and monitoring of compliance with policies and practices, and code conduct of the SBT. This Committee comprised of three members a chairman and two Board members.

During the financial year ended 30th June 2023, the Audit Committee held four (4) Ordinary Meetings at SBT Board Room. The names of the members of Audit committee who served during the financial year ended 30th June 2023 are shown in Table 18 below:

Table No.18: Board's Audit Committee Members in 2022/23

S/No	Name	Position	Nationality	Age	Appointment	Resignation	Meeting Attendance
1.	Mr. Ephraim Balozi Mafuru	Chairman	Tanzanian	51	22 nd March 2022	22 nd March 2025	4/4
2.	Prof. Kenneth M.K Bengesi	Secretary	Tanzanian	55	22 nd March 2022	22 nd March 2025	4/4
3.	Ms. Pelagia Zacharia Kayunga	Member	Tanzanian	61	22 nd March 2022	22 nd March 2025	4/4
4.	Mr. Obadia Mugasa. Kameya	Member	Tanzanian	55	22 nd March 2022	22 nd March 2025	4/4

Source: SBT Board Members Curriculum Vitae and Letters of appointment.

The Audit Committee, during the financial year under review, discussed and deliberated on the following matters: -

- (i) Follow up to Government institutions with outstanding rents;
- (ii) Follow up to SBT ex- employees with outstanding debt;
- (iii) Internal Audit Unit Reports for the Financial Year 2022/2023
- (iv) Progress on Implementation of First Quarter Audit Plan;
- (v) Progress on Implementation of the CAG findings and recommendation for the year 2018/19, 2019/2020, 2020/2021 and 2021/2022;
- (vi) Progress on Implementation of Annual Risk Based Internal Audit Plan for the Financial Year 2022/2023;
- (vii) Procurement Unit reports for the Financial Year 2022/2023.

2.22.8 Management of the Sugar Board of Tanzania

SBT management team was under the supervision of Director General comprises of three directorates being Regulatory Services; Planning and Development; and Corporate Services, five units and seven sections as summarized below:

- a) Directorates
- b) Regulatory Services
 - Planning and Development
 - Corporate Services
- c) Units
 - Procurement and Logistics
 - Public Relations and Communication
 - ICT
 - Internal Audit
 - Legal Services
- d) Sections
 - Compliance, Inspection and Certification

- Licensing
- Planning, Monitoring and Evaluation
- Investment, Technology Transfer and Outreach Services
- Human Resource Management and Administration
- Finance and Accounts
- Estate Management

2.23 OTHER COMMITTEES

To address financial accountability and value for money, the Board established various committees. Internally, the Board formed other committees such as: Tender Board; Appointment and Disciplinary Committee; Executive Committee; Technical Committee on Sugar Importation; Integrity Committee; and ICT Steering Committee.

2.23.1 Tender Board

During the year 2022/23, the SBT Tender Board held four meetings which deliberated on various issues pertaining to procurement of goods, services and consultancy works.

The names of the members of the Tender Board who served during the financial year 2022/23 are presented in Table 19 below:

Table No. 19: Members of the Tender Board

S/N	Name	Position	Qualification	Designation	Date of appointment
1.	Ms. Violeth Mwanisawa	Chairperson	MBA, BSc. Agr. Business & Agricultural Economics	Director of Planning and Development	13/10/2021
2.	Mr. Kastori. O. Ooko	Secretary	MSc. Procurement & Supply Chain Mgt, CPSP (T), Advance Dpl. Procurement & Supplies Mgt (ADPS)	Head of Procurement Management Unit	13/10/2021
3.	Mr. Ally Mwinyimanga	Member	BSc. Civil Engineering FTC (Civil)	Senior Estate Officer	13/10/2021
4.	Ms. Grace Kabate	Member	Masters (Public Policy), Bsc. Agronomy	Senior Agricultural Officer I	13/10/2021
5.	Mr. Faustine Mgimba	Member	Bachelor in Computer Science	Ag. Head of Information and Communication Technology	13/10/2021
6.	Mr. George Gwelle	Member	BSc. Business Administration	Manager, M&E Section	13/10/2021
7.	Mr. Linus Bwegoge	Member	MBA Corp. Management; LL.B, Advanced Dipl. Public Administration	Manager Human Resources & Administration	5/11/2021

8.	Ms. Loyce John	Member	CPA (T), MSc. Accounts and Finance; Adv. Dipl. Accounts	Manager, Accounts & Finance	5/11/2021
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Source: SBT tender Board meeting minutes and appointment letters

2.23.2 Appointment and Disciplinary Committee

During the year 2022/23, three meetings were held by the SBT's Appointment and Disciplinary Committee which deliberated on issues pertaining to contract staff recruitment and other staff matters.

The names of the members of the Committee who served during the financial year 2021/22 are presented in Table 20 below:

Table No.20: Members of the Appointment and Disciplinary Committee

S/N	Position	Designation
1.	Prof. Kenneth M.K. Bengesi	Director General
2.	Mr. Lusomyo Buzingo	Director of Regulatory Services
3.	Mr. Merkion Ndofi	Director of Corporate Services
4.	Mr. Linus Bwegoge	Human Resource & Administration Manager
5.	Ms. Violeth Mwanisawa	Director of Planning and Development

Source: Minutes of SBT Management's Meetings for the year ended 30 June 2023

2.23.3 Executive Committee

The functions of the Executive Committee are to advise, consult and make recommendations to Workers Council concerning matters relating to Annual Budget and Audited financial statements.

During the year 2022/23, the SBT's Executive Committee held one meeting which deliberated on issues pertaining proposed SBT Budget for 2023/24 and Audited Financial Statement for the year 2021/22.

The names of the members of the Committee served in financial year 2022/23 are presented in Table 21 below:

Table No. 21: Members of the Executive Committee

S/N	Position	Designation
1.	Prof. Kenneth M.K. Bengesi	Director General
2.	Mr. Merkion A. Ndofi	Director of Corporate Services
3.	Mr. Lusomyo M. Buzingo	Director of Regulatory Services
4.	Ms. Violeth C. Mwanisawa	Director of Development and Planning
5.	Mr. Linus Bwegoge	Human Resource & Administration Manager
6.	Mr. Rogers Ntagara	Legal Service Manager
7.	Mr. Fihiri O. Achi	TUICO - Chairperson
8.	Ms. Hellen Paul	Head of Internal Audit Unit
9.	Mr. Kastori O. Ooko	Head of Procurement Management Unit (PMU)
10.	Mr. Faustin Mgimba	Head of ICT
11.	Ms. Loyce John	Manager, Finance and Accounts

S/N	Position	Designation
12.	Mr. Bahati Msomba	Manager, Inspection and Certification

Source: Minutes of SBT Management's Meetings for the year ended 30 June 2023

2.23.4 Technical Advisory Committee (TAC) On Sugar Importation

The Sugar Industry Regulations of 2010, read together with its subsequent amendments, provides that the composition of the Technical Advisory Committee (TAC) on Sugar Importation should consist of a representative from the following bodies: -

- Ministry responsible for Agriculture;
- Ministry responsible for Industries and Trade;
- Ministry responsible for Finance and Planning;
- Tanzania Revenue Authority;
- Tanzania Port Authority;
- Tanzania Bureau of Standards.

The Director General of Sugar Board of Tanzania is the Secretary to the Committee and the Chairperson of the Committee is elected by members amongst themselves and shall hold office for a period of three years. The Chairperson can be re-elected based on the performance.

During the year 2022/23, the Technical Committee held five meetings which deliberated on various issues pertaining to the importation of sugar and sugar situation in the country. The names of the members of the Committee who served in financial year 2022/23 are presented in Table 22 below:

Table No.22: Members of the Technical Committee

S/N	Name	Institution	Position	Qualification	Nationality
1.	Mr. Gungu Mibavu	Ministry of Agriculture	Chairman	BSc-Agric. Economics	Tanzanian
2.	Prof. Kenneth M. K. Bengesi	Sugar Board of Tanzania	Secretary	PhD (Strategic Entrepreneurship & Business Management), MSc. (Agric.), BSc. (Agric.)	Tanzanian
3.	Mr. James M. Ng'wandu	Tanzania Ports Authority	Member	Bachelor Degree in Business Administration	Tanzanian
4.	Ms. Salha A. Mzee	Ministry of Finance and Planning	Member	Bachelor in Customs and Tax. Management	Tanzanian
5.	Ms. Fatuma Mauniko	Tanzania Bureau of Standards	Member	BSc. Food Science and Technology	Tanzanian

6.	Mr. Edward Kessy	Tanzania Revenue Authority	Member	Masters of Business Administration	Tanzanian
7.	Dr. Yuda Benjamini	Ministry of Investment Industry & Trade	Member	PhD. (Chemical Engineering)	Tanzanian

Source: Minutes of SBT TAC's Meetings for the year ended 30 June 2023

2.23.5 Integrity Committee

During the year 2022/23, the SBT's Integrity Committee held two meetings which deliberated on various issues pertaining to integrity matters such as establishment of Complaint Desk, Opening of Gift Register, Suggestion Box, and Assessment of execution of Nation Strategic Plan concerning Reduction of Corruption for the year 2022/23.

The names of the members of the Integrity Committee who served during financial year 2022/23 are presented in Table 23 below:

Table No. 23: Members of Integrity Committee

No.	Name	Position	Designation	Date of Appointment
1	Mr Lusomyo M. Buzingo	Chairperson	Director of Regulatory Services	9 March 2020
2	Ms Violeth C. Mwanisawa	Member	Director of Development and Planning	9 March 2020
3	Ms. Grace Kabate	Member	Senior Development and Planning Officer	9 March 2020
4	Mr. George Gowelle	Member	Senior Regulatory Services Officer	9 March 2020
5	Ms. Sophia Stanley	Secretary	Legal Services Officer	9 March 2020

Source: Minutes of SBT Integrity Committee's Meetings for the year ended 30 June 2023

2.23.6 ICT Steering Committee

The ICT Steering Committee was established in accordance with Section 18(1) of the e-Government Act No. 10 of 2019 and Regulations of 2020 to provide technical guidance on implementation of ICT initiatives.

During the Financial Year 2022/23, the ICT Steering Committee held three meetings which deliberated on various ICT matters such as development of ICT policy, integration of systems internally and externally, security of regulatory systems for licensing and inspection of sugar, and training on the use of the systems to both clients and SBT officers.

The names of the members of the ICT Steering Committee who served during financial year 2022/23 are presented in Table 24 below:

Table No. 24: Members of ICT Steering Committee

S/N	Name	Position	Designation	Date of Appointment
1	Prof. Kenneth Bengesi	Chairperson	Director General	7 September 2020
2	Violeth Mwanisawa	Member	DDP	7 September 2020
3	Kastori Ooko	Member	HPMU	7 September 2020
4	Rashidi Likiligo	Member	MOA-Representative	7 September 2020
5	Helen Paul	Member	HIA	7 September 2020
6	Loyce John	Member	FAM	7 September 2020
7	Lusomyo Buzingo	Member	DRS	7 September 2020
8	Faustine Mgimba	Secretary	Ag. HICT	7 September 2020

Source: Minutes of SBT ICT Steering Committee's Meetings for the year ended 30 June 2023

2.24 EMPLOYEE WELFARE

2.24.1 Management and Employees' Relationship

During the year 2022/23 the Management succeeded in maintaining an amicable relationship with the employees and the workers union (TUICO). Management conducted four workers council meetings where employees participated through their representatives. All the issues presented by the union were discussed and resolved peacefully.

2.24.2 Working Environment

The Board has achieved a positive working environment by focusing on the overall culture, supporting employee growth, and making employees feel safe and comfortable.

2.24.3 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. Employees of the Board were given opportunities to show their talents and capabilities in fulfilling their day-to-day responsibilities to achieve strategic functions of the Board.

2.24.4 Post-employment Benefits

All staffs are members of PSSSF. The employer has an obligation of submitting monthly contributions on time and make sure that all new employees join the fund. The Board contributes 15% of basic salary of each employee to the Fund and each employee contributes 5% of their basic salary. The total contribution made to PSSSF during the year was TZS 194.74 million.

2.24.5 Medical Services

Medical services are provided through National Health Insurance Fund (NHIF) whereby the contributions are shared equally, the Board contributes 3% and the employee 3% of the monthly basic salary which makes a total of 6%. Further, the Board has a special arrangement with the NHIF of having medical supplementary services option one that's requires the Employer to contribute addition amount to cover extra medical services which

are not covered by the Fund to her staff. The total contributions made by the Board to NHIF during the financial year 2022/23 were TZS 57.89 million.

2.24.6 Disabled People

The Board is a non-discriminatory employer where the recruitment process is open and fair to all. People with disabilities are also encouraged to apply for the vacant posts. In situations where an employee becomes disabled, the management will put effort to make sure the employee continues with work in a proper environment which supports the employee's condition.

2.24.7 Gender Balance

The Board adheres to gender equality in employment. As at 30 June 2023, the Board had 41 employees of whom 23 were male and 18 were female.

2.25 POLITICAL AND CHARITABLE DONATIONS

During the financial year 2022/23, the Board spent a total of TZS 60.1 million on activities shown on Table 25 below;

Table No. 25: Beneficiaries of Corporate Social Responsibilities Fund for 2022/23

S/N	Beneficiary's Name	Amount (TZS '000')	Purpose
1.	Ministry of Agriculture	30,000,000	SBT sponsorship to facilitate launch event of African green revolutionary platform to ministry of Agriculture held on 2 nd March, 2023.
2.	Ntate Foundation	3,600,000	SBT sponsorship to facilitate training to build women capacity to hold leadership positions in Tanzania on 01 March, 2023.
3.	Ministry of Agriculture	12,500,000	Donation to Ministry of Agriculture to facilitate Nane nane activities on 29 th July 2022
4.	Kagera Regional Secretariat	5,000,000	Contribution to support National torch race in Kagera Region on 12 th September, 2022
5	Ministry of Agriculture	9,000,000	Contribution to support extension Services in Agricultural sector in Tanzania on 16 th November, 2022.
	TOTAL	60,100,000	

Source: Sugar Board of Tanzania

2.26 FUTURE PERFORMANCE

Revenue collection process and target set from Development and Regulatory services as core functions of the Board will be positively affected after the implementation of industrialization policy that will increase the use of industrial sugar as input to local industries and introduction of export levy from sugar by products which is yet to be introduced in the upcoming years. Nevertheless, the Board shall continue to closely monitor its current sources of revenue and enforce revenue collection from the approved sources to sustain implementation of its approved plan for the financial year 2022/23.

Table No. 23: Members of Integrity Committee

No.	Name	Position	Designation	Date of Appointment
1	Mr Lusomyo M. Buzingo	Chairperson	Director of Regulatory Services	9 March 2020
2	Ms Violeth C. Mwanisawa	Member	Director of Development and Planning	9 March 2020
3	Ms. Grace Kabate	Member	Senior Development and Planning Officer	9 March 2020
4	Mr. George Gowelle	Member	Senior Regulatory Services Officer	9 March 2020
5	Ms. Sophia Stanley	Secretary	Legal Services Officer	9 March 2020

Source: Minutes of SBT Integrity Committee's Meetings for the year ended 30 June 2023

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7	Lusomyo Buzingo	Member	DRS	7 September 2020
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Source: Minutes of SBT ICT Steering Committee's Meetings for the year ended 30 June 2023

2.24 EMPLOYEE WELFARE

2.24.1 Management and Employees' Relationship

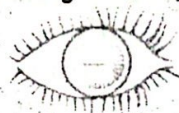
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All staffs are members of PSSSF. The employer has an obligation of submitting monthly contributions on time and make sure that all new employees join the fund. The Board contributes 15% of basic salary of each employee to the Fund and each employee contributes 5% of their basic salary. The total contribution made to PSSSF during the year was TZS 194.74 million.

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	TOTAL	60,100,000	

Source: Sugar Board of Tanzania

2.26 FUTURE PERFORMANCE

Revenue collection process and target set from Development and Regulatory services as core functions of the Board will be positively affected after the implementation of industrialization policy that will increase the use of industrial sugar as input to local industries and introduction of export levy from sugar by products which is yet to be introduced in the upcoming years. Nevertheless, the Board shall continue to closely monitor its current sources of revenue and enforce revenue collection from the approved sources to sustain implementation of its approved plan for the financial year 2022/23.

2.27 STATEMENT OF COMPLIANCE

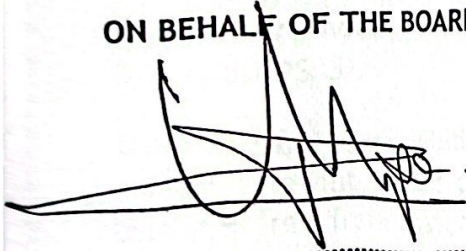
Board of Directors confirm that their report has been prepared in accordance with Tanzania Financial Reporting Standards (TFRS) 1 issued by National Board of Accountants and Auditors (NBAA) and the operational activities of the Board are in compliant with all relevant laws and regulations in Tanzania.

The Board's financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs) Accrual Basis of Accounting as issued by the International Public Sector Accounting Standards Board (IPSASB).

2.28 INDEPENDENT AUDITORS

The Controller and Auditor-General (CAG) is the statutory auditor of the Council by virtue of Article 143 of the Constitution of the United Republic of Tanzania as amplified by Section 32(4) of the Public Audit Act, Cap 418. However, in accordance to Section 33(1) of the Public Audit Act, Cap 418, the Controller and Auditor General authorized M/s. Silas & Associates to carry out the audit of Sugar Board of Tanzania (SBT) for the year 2022/23.

ON BEHALF OF THE BOARD



.....
Mr. Filbert Michael Mponzi

Board Chairman

Date: 25 March 2024



.....
Prof. Kenneth Michael Bengesi

Director General

Date: 26 March 2024



3.0 STATEMENT OF DIRECTORS' RESPONSIBILITY

The Board of Directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position, statement of financial performance, statement of changes in net assets, statement of cash flows, statement of comparison of budget and actual amounts and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Public Sector Accounting Standards (IPSAS).

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

The Directors have made an assessment of the Board's ability to continue as a going concern and have no reason to believe the business will not be a going concern for the foreseeable future.

The Board of Directors confirm that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 June, 2023.

ON BEHALF OF THE BOARD


.....
Mr. Filbert Michael Mponzi
Board Chairman

Date: 25th March 2024


.....
Prof. Kenneth Michael Bengesi
Director General

Date: 26 March 2024

4.0 DECLARATION OF THE HEAD OF FINANCE OF SUGAR BOARD OF TANZANIA

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting 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/Governing Body as under Directors Responsibility Statement on an earlier page.

I, CPA Loyce John, being the Manager of Finance and Accounts of the Sugar Board of Tanzania hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2023 have been prepared in compliance with applicable accounting standards and statutory requirements.

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

Signed by: CPA Loyce John

Position: Manager of Finance and Accounts

NBAA Membership No. ACPA 5286

Signature: _____

Date: 25th March, 2024

SUGAR BOARD OF TANZANIA (SBT)

5.0 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	2022/23 TZS'000	2021/22 TZS'000
ASSETS			
<u>Current assets</u>			
Cash and cash equivalent	8	1,338,782	5,338,974
Receivables from exchange transactions	9	943,155	838,778
Receivables from non-exchange transactions	10(a)	207,874	123,372
Inventories	11	8,290	13,692
Investment in Treasury Bills	12	3,453,332	-
Total current assets		5,951,433	6,314,816
<u>Non-current Assets</u>			
Receivables from non-exchange transactions	10(c)	292,438	107,345
Property, plant, and equipment	13	6,663,938	6,760,604
Investment property	14	52,129,009	50,999,184
Intangible assets	15	4,500	5,625
Total non-current assets		59,089,886	57,872,758
TOTAL ASSETS		65,041,319	64,187,574
LIABILITIES			
<u>Current Liabilities</u>			
Trade and other payables from exchange transaction	16	1,051,869	582,628
Payables from non-exchange transactions	17	4,444	43,767
Total current liabilities		1,056,313	626,395
<u>Non-current Liabilities</u>			
Capital grant	18	1,229,961	1,180,657
Total non-current liabilities		1,229,961	1,180,657
TOTAL LIABILITIES		2,286,274	1,807,052
NET ASSETS		62,755,045	62,380,522
NET ASSETS			
Capital Fund	19	6,568,307	6,568,307
Accumulated Surplus		56,186,738	55,812,215
TOTAL NET ASSETS		62,755,045	62,380,522

The accompanying notes are integral part of the financial statements which were approved and authorized for issue and were signed on its behalf by:

.....
Mr. Filbert Michael Mponzi
Chairman of Board of Directors

Date: 25th March 2024

.....
Prof. Kenneth Michael Bengesi
Director General

Date: 26 March 2024

SUGAR BOARD OF TANZANIA (SBT)

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

		2022/23	2021/22
	Notes	TZS'000	TZS'000
REVENUE			
Revenue from non-exchange transactions			
Sugar import Levy	20	<u>4,277,955</u>	<u>4,872,147</u>
Revenue from exchange transactions			
Revenue from rented properties	21	1,699,921	1,698,577
Finance income	22	62,751	63,605
Other income	23	<u>1,171,925</u>	<u>3,390,009</u>
Government Subvention		<u>1,000,000</u>	<u>0</u>
		<u>3,934,597</u>	<u>5,152,191</u>
Total revenue		<u>8,212,552</u>	<u>10,024,338</u>
EXPENSES			
Salaries, wages, and employee benefits	24	2,715,034	2,199,247
Maintenance expenses	25	982,338	768,918
Office supplies and consumables expenses	26	1,286,343	859,446
Operating expenses	27	1,670,990	1,334,871
Depreciation	13	262,001	263,564
Amortization	15	1,125	1,125
Contribution to the Consolidated Fund	28	<u>920,197</u>	<u>1,261,356</u>
Total expenses		<u>7,838,028</u>	<u>6,688,527</u>
Surplus for the year		<u>374,523</u>	<u>3,335,811</u>

The accompanying notes are integral part of the financial statements which were approved and authorized for issue and were signed on its behalf by:

.....
Mr. Filbert Michael Mponzi
 Chairman of Board of Directors

Date: 28/03/2024

.....
Prof. Kenneth Michael Bengesi
 Director General

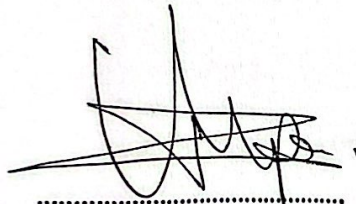
Date: 26 March 2024

SUGAR BOARD OF TANZANIA (SBT)

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

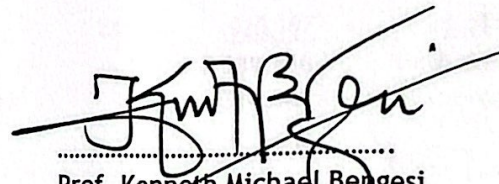
	CAPITAL FUND TZS '000'	ACCUMULATED SURPLUS TZS '000'	TOTAL TZS '000'
YEAR ENDED 30 JUNE 2022			
At start of year (1 July 2022)	6,568,307	52,476,404	59,044,711
Surplus for the year	<u>-</u>	<u>3,335,811</u>	<u>3,335,811</u>
At end of year	<u>6,568,307</u>	<u>55,812,215</u>	<u>62,380,522</u>
YEAR ENDED 30 June 2023			
At start of year (1 July 2022)	6,568,307	55,812,215	62,380,522
Surplus for the year	<u>-</u>	<u>374,523</u>	<u>374,523</u>
At end of year	<u>6,568,307</u>	<u>56,186,738</u>	<u>62,755,045</u>

The accompanying notes are integral part of the financial statements.



 Mr. Filbert Michael Mponzi
 Chairman of Board of Directors

Date: 25/03/2024



 Prof. Kenneth Michael Bengesi
 Director General

Date: 26 March 2024

SUGAR BOARD OF TANZANIA (SBT)

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2022/23 TZS'000	2021/22 TZS'000
Receipts	35	1,757,175	1,640,018
Receipts from Rented Properties			
Receipts from Levies	20	4,277,955	4,872,147
Recovery from SUDECO debt on sugar proceeds (Other receipts)	23	3,000	6,600
Other receipts	23	1,040	500
Motor vehicle disposal		36,200	
Government Subv		<u>1,000,000</u>	-
Total cash received		7,075,370	6,519,265
Payments			
Compensation to employees	35	2,993,158	2,217,649
Cash paid to suppliers	35	1,803,569	1,554,150
Cash paid for operations	35	1,655,194	1,272,857
Bank charges	27	17,392	9,537
Consolidated Fund	28	<u>920,197</u>	<u>1,481,931</u>
Total cash paid		7,389,510	6,356,124
Net Cash (used in)/from Operating Activities (A)		-314,141	-16,859
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	9&13	-283,883	-116,599
Receipts from Treasury Bills	12	-	2,430,918
Payments for Treasury Bills	12	<u>-3,453,332</u>	<u>-</u>
Net Cash from/(used in) Investing Activities (B)		-3,737,215	2,314,319
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in Capital Grant	18	<u>49,304</u>	<u>55,157</u>
Net cash increase from Financing Activities (C)		49,304	55,157
Net (decrease)/increase in Cash and Cash Equivalent (A+B+C)		-4,002,052	2,352,617
Cash and Cash Equivalent at start of year		5,338,974	2,988,695
(Loss)/Gain in foreign exchange rate	23 & 27	<u>1,860</u>	<u>-2,338</u>
Cash and Cash Equivalent at end of year	8	<u>1,338,782</u>	<u>5,338,974</u>

.....
Mr. Filbert Michael Mponzi
 Chairman of Board of Directors

Date: 25/03/2024

.....
Prof. Kenneth Michael Bengesi
 Director General

Date: 26 March 2024

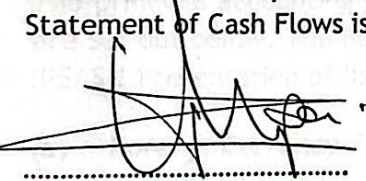
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED
30 JUNE 2023

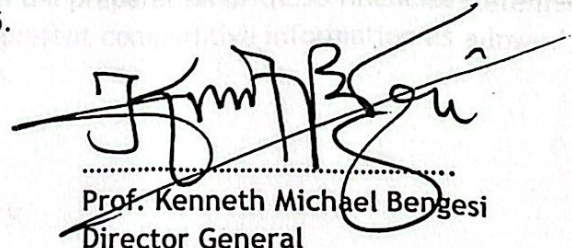
DETAILS	ORIGINAL AND FINAL BUDGET 2022/23	ACTUAL AMOUNT 2022/23	DIFFERENCE 2021/22	DIFFERENCE IN (%)
	TZS '000 a	TZS '000 B	TZS '000 c=a-b	c/a
REVENUE				
Sugar Import Levies	4,062,060	4,277,955	215,895	105
Revenue - Exchange Transactions	2,051,846	1,757,175	(294,671)	86
Finance Income	181,000	112,056	(68,944)	62
Government Subv	<u>1,000,000</u>	<u>1,000,000</u>	=	<u>100</u>
TOTAL REVENUE - A	7,294,906	7,147,186	(147,720)	98
EXPENSES				
Salaries, wages, and employee Cost	2,375,518	2,715,034	339,516	114
Supplies and Consumables cost	567,247	1,286,343	719,096	227
Maintenance expenses	799,051	982,338	183,287	123
Operating Expenses	2,560,454	1,613,597	(946,857)	63
Contribution to the Government	944,236	920,197	-24,039	97
Audit Fees	40,000	40,000	0	100
Bank charges	<u>8,400</u>	<u>17,392</u>	8,992	207
TOTAL EXPENSES - B	7,294,906	7,574,902	279,996	104

*Budget Prepared on modified cash basis and falls between 1 July 2022 to 30 June 2023.

*The explanations on material variances are found on Note 29.

*Reconciliation between the actual amounts on a comparable basis as presented in the Statement of Comparison of Budget and Actual Amounts and the actual amounts in the Statement of Cash Flows is found on Note 35.


Mr. Filbert Michael Mponzi
Chairman of Board of Directors


Prof. Kenneth Michael Bergesi
Director General

Date: 25/03/2024

Date: 26 March 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**1. General Information****2. Basic Preparation**

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) accrual basis.

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are started at fair value. The cash flow statement is prepared using the direct method and the statement of comparison of budget and actual amounts is on modified cash basis.

The preparation of financial statements is in conformity with IPSASs which requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Board's accounting policies. The areas where a high degree of judgement or complexity has been applied, or where assumptions and estimates are significant to the financial statements are disclosed in Note 6.

3. Changes in Accounting Policies

There were no changes in accounting policies during the year. The accounting policies which were used during the year were consistent with previous years.

4. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. The Board has opted to present comparative information as allowed by IPSAS 1 Presentation of financial statements.

(a) Foreign Currency Translation***(i) Functional and Presentation currency***

Items included in the financial statements of the Board are measured using the currency of primary economic environment in which the Board operates ("The functional currency").

The financial statements are therefore presented in Tanzania shillings, which is the Board's functional and presentation currency. The figures were rounded to the nearest thousands.

(ii) Foreign Currency Transactions and Balances

Transactions denominated in currencies other than Tanzanian Shillings are translated into Tanzanian Shillings at the exchange rate prevailing at the transaction date. Monetary assets and liabilities in foreign currencies at the year-end are translated into Tanzanian shillings at the rates of exchange ruling at the end of the financial year.

The resultant gains/losses on exchange rate translations are recognized as revenue or expenses in the statement of financial performance in the period in which they arise.

(b) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost, thereafter, stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment if the recognition criteria are met.

Repairs and maintenance are charged to the Statement of Financial Performance during the year in which they are incurred.

Depreciation is provided for on **straight-line basis** and is calculated separately for each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item. Applicable useful life for Property, Plant and Equipment are as per accounting circular No. 2 of 2017/18 from Ministry of Finance and Planning as shown below:-

Asset Description	Useful Life
Buildings	50 years
Plant and Machinery	15 years
Motor vehicles	5 years
Furniture, Fixture and Equipment	5 years
Computers and Accessories	4 years
Land	N/A

Source: Sugar Board of Tanzania Fixed Asset Register 2022/2023

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation of an asset ceases when the asset is derecognized or when no future economic benefit or service potential is expected from it in accordance with IPSAS17 and the date that the asset is derecognized.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. No depreciation is charged if the residual value of an item is equal to or greater than its carrying value.

(c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment

properties are included in the statement of financial performance in the period in which they arise.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the disposal proceeds and the carrying amount of the asset is recognized in the statement of financial performance in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Board accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(d) Intangible Assets

Intangible assets comprise of computer application software and computer packages. Intangibles assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses.

Amortization is recognized on a **straight-line basis** over the estimated useful lives of the intangible assets. Changes in intangible assets estimates are recognized in the Statement of Financial Performance prospectively.

The Board's intangible assets have finite useful life of **seven years** and amortization commences when the asset is available for its intended use. Intangible assets with indefinite useful lives are not amortized but are annually tested for impairment or whenever there are indications of impairment. Intangible assets are derecognized when no future economic benefits are expected from their use.

(e) Impairment of Assets

SBT recognizes an impairment loss for the amount by which the asset's carrying amount exceeds its current replacement cost.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortization are also tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(f) Trade Receivables

SBT recognizes trade receivables initially at original invoice amount which is fair value at transaction date. Subsequently trade receivables other than short-term receivables are measured at amortized cost using the effective interest method less allowance for impairment.

Short term receivables are measured at cost less allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that SBT will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate, or where appropriate, at the interest rate that SBT would have to pay to finance such receivables.

(g) Cash and Cash Equivalents

The SBT's cash comprises cash in hand and demand deposits with banks. Cash equivalents comprise of short-term bank deposits with an original maturity of three months or less. Bank overdrafts are included within borrowings in current liabilities on the balance sheet if any. The carrying amounts of these assets approximate to their fair value.

(h) Inventories

Inventories comprise of sugar-for-own consumption and stationery stocks. These are stated at the lower of cost and current replacement cost. Costs comprise purchase price, direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Board.

(i) Provisions

SBT recognizes provisions when it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

(j) Grants

An inflow of resources from a non-transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

SBT satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it shall reduce the carrying amount of liability recognized and recognize an amount of revenue equal to that reduction.

SBT's revenue comprises of the sugar Import Levies, rental fees and Interest on short term investments.

(k) Revenue from non-exchange transactions

Levies

SBT recognizes income from Levies when the event occurs, and the asset recognition criteria are met. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Government Subventions

Revenues from non-exchange transactions with government are measured at fair value and recognized on obtaining control of the asset (cash, goods, services, and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Board and can be measured reliably.

(l) Revenue from exchange transactions

Rental income

SBT earns rental income from its Investment Property. The income is recognized in the accounting year in which it is receivable by reference to the specific tenancy agreements.

Finance Income

Finance income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine finance income each period.

(m) Retirement benefit obligation

SBT makes pension contributions to Public Service Social Security Fund (PSSSF) as per government directives for all Government Institutions. The fund will bear the pension obligations of the staff for the period after the members' retirement from active employment with SBT. The Board's contributions to the Pension Schemes are recognized as an employee benefit expense when they fall due.

The Board has no further payment obligations once the contributions have been paid. The Pension Scheme is contributory whereby members contribute 20% of basic salary (i.e., 5% of employee's salary and 15% employer).

Employees on contract are entitled to a gratuity of 25% of basic salary upon completion or termination of the contract. Since all employees on contract are members of PSSSF, SBT pays 15% contribution for the employees on monthly basis and therefore, SBT will pay only

10% for gratuity to those employees upon completion of their contracts. Provision for gratuity is made in the financial statements based on the salary paid during the year.

The SBT's contributions to the pension Scheme are charged to the Statement of Financial Performance in the year to which they relate and the additional 10% Provision for gratuity based on salary paid is recognised as a liability in the Financial Position.

(n) Value Added Tax

Revenues, expenses, and assets are recognized net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.
- The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

5. Financial Risk Management

a) Financial risk factors

The Board's activities expose it to a variety of financial risks: foreign currency risk, credit risk, and liquidity risk. The Board's overall risk management plan seeks to minimize potential adverse effects on the Board's financial performance.

Risks management is carried out by the management under the policies approved by the Board of Directors.

b) Currency risk

The Board's exposure to foreign exchange risks arises from rental income, purchases, assets and liabilities denominated in currency other than the functional currency mainly with respect to the US dollar. At the yearend, the Board has financial assets and liabilities denominated in United States Dollars (USD). As a result, the Board is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates.

Exposure to foreign currency risk is mitigated by the fact that the Board maintains certain part of its income in US Dollars bank accounts. The effect of foreign currency risk is not significant and therefore management does not hedge against foreign currency 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. Credit risk arises from trade receivables, as well as deposits with banks. Significant concentration of credit risk is with

rental receivables. A significant part of the trade and other receivable is made up of customers occupying the Board's investment properties. Based on Board's policy, management has made adequate provision where the recoverability is doubtful. Only reputable banks are used by the Board for banking services.

The amount that best represents the Board's maximum exposure to credit risk as at 30 June 2023 was:

	FY 2022/23 TZS '000'	FY 2021/22 TZS '000'
Cash and Bank	1,338,782	5,338,974
Tenants receivable	1,079,800	1,137,054
Staff debtors	444,782	175,853
Treasury Bills Income Receivable	112,056	-
Other Trade Receivables	257,822	208,247
Other receivables	66,009	65,342
TOTAL	3,299,251	6,925,470

No collateral is held for any of the above assets. The Board does not grade the credit quality of receivables. All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated. All impaired receivables are carried at their estimated recoverable value.

The age analysis of trade and other receivables is as shown below:

	3 - 6 months TZS'000	Over 1 year TZS'000	Total TZS'000
<u>30 June 2023</u>			
Trade and other receivables	1,077,845	1,955	1,079,800
<u>30 June 2022</u>			
Trade and other receivables	1,077,845	1,248	1,079,093

d) Interest rate risk

Interest rate risk arises from possible impact of changes in the interest rates on the value of financial instruments. SBT does not have assets and liabilities that are materially dependent on interest rate levels therefore, management believes that The Board has no exposure to interest rate risk.

e) Liquidity risk

Liquidity risk is the risk of SBT not being able to meet its obligations as they fall due. SBT'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 SBT's reputation. SBT main sources of income includes sugar import levies and rental income from its investment properties. SBT ensures that it has sufficient cash on demand to meet expected operating expenses through its cash flow forecasts as it uses Activity Based Budgeting approach with an extensive planning and governance process focused on its

Strategic Plan to determine its operational and capital requirements. This is considered to be adequate mitigation for liquidity risk.

The table below summarizes the maturity profile of financial liabilities:

	To 3 months	3 to 12 months	Over 1 year	Total
	TZS'000	TZS'000	TZS'000	TZS'000
<u>30 June 2023</u>				
Payables	-	1,056,313	-	1,056,313
<u>30 June 2022</u>				
Payables	-	626,395	-	626,395

6. Critical Accounting Judgements, Estimates and Assumptions

The preparation of the Board's Financial Statement requires the Management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the reporting date. Uncertainty about these assumptions and estimates and could require a material adjustment to carrying amount of the asset or liability affected in the future periods.

Management continuously evaluates estimates and judgements based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

a) Judgements

In the process of applying the Board's accounting policies, during the year, no significant judgements were made by management.

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 discussed below:

(i) Asset Useful Lives

The useful lives of items of property, plant and equipment are estimated annually and are in line with the rate at which they are depreciated.

(ii) Impairment of Non-Financial Assets

The Board assessed and observed that some of the Board's assets have indicators for impairment. The method used to measure impairment was a cost of replacement method. It was noted that there was an impairment loss on some of the assets reviewed. The identified impairment loss is recognized in the financial statements under Note 13.

(iii) Impairment of Financial Assets

The Board assesses annually whether there are any indicators of impairment for all financial assets at each reporting date. If indicators exist, an impairment test is done, and any identified impairment loss is recognized in the financial statements.

7. Future Changes in Financial Assets

The following IPSAS were issued a couple years ago and become effective in the dates mentioned below, there is no impact to the Board for not adopting these IPSAS:

- IPSAS 41, Financial Instruments effective from 1 January 2023.
- IPSAS 42, Social Benefits effective from 1 January 2023.

With regard to IPSAS 41, SBT is of the view that since this standard has been deferred due to Covid-19, the management examined the extent of its impact in but there were no significant effect in the financial year ending 30 June 2023.

With regard to IPSAS 42, based on the management assessment of the nature of SBT operations it does not foresee significant impact of the adoption in its effective date. However, the management will examine the extent of its impact in the next financial year ending 30 June 2024.

	FY 2022/23	FY 2021/22
	TZS '000'	TZS '000'
8. CASH AND CASH EQUIVALENTS		
Cash on hand- TZS	500	500
NBC Bank - TZS	1,044,642	123,489
NMB (GEPG) - TZS	-	12,504
NBC Bank - USD	11,787	222,444
CRDB Bank - TZS	23,984	4,082
CRDB Bank- USD	-	2,213
Bank of Tanzania (BOT) - TZS	201,493	4,491,655
Bank of Tanzania (BOT)- USD	<u>56,376</u>	<u>482,087</u>
	<u>1,338,782</u>	<u>5,338,974</u>
9. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Rent receivable from tenants	1,079,800	1,137,055
Interest receivable on Treasury Bills	112,056	-
Prepayments*	<u>257,822</u>	<u>208,247</u>
Sub-Total	1,449,678	1,345,301
Less: Allowance for impairment (Note 9(b))	<u>(506,523)</u>	<u>(506,523)</u>
	<u>943,155</u>	<u>838,778</u>
(b) Movement in provision for impairment		
At start of year	506,523	483,099
Increase/(decrease) in provision for the year (Note 27)		<u>23,424</u>

At end of year	<u>506,523</u>	<u>506,523</u>
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The Directors consider that the carrying amount of trade and other receivables from exchange transactions are approximate to their fair value. No interest is charged on trade and other receivables.

	<u>2022/23</u>	<u>2021/22</u>
	<u>TZS '000'</u>	<u>TZS '000'</u>
10. (a) CURRENT RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Staff car loans	131,191	23,504
Staff long-term loan	21,152	45,004
Other receivables	<u>66,009</u>	<u>65,342</u>
Sub-total	218,352	133,850
Less: Allowance for impairment (Note 10 (b))	<u>(10,478)</u>	<u>(10,478)</u>
Total	<u>207,874</u>	<u>123,372</u>
 (b) Movement in the provision for impairment		
At Start of the year	10,478	10,478
Increase in provision for the year	-	-
At the end of the year	<u>10,478</u>	<u>10,478</u>
 (c) NON-CURRENT RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Staff Car Loans	<u>292,438</u>	<u>107,345</u>
 11. INVENTORIES		
Stationery Stocks	8,290	13,692
Sugar Stock	-	-
	<u>8,290</u>	<u>13,693</u>
 12. INVESTMENT IN TREASURY BILLS		
	1,933,866	-
Maturing within 364 days - SBT Fund		
	<u>1,519,466</u>	-
Maturity within 364 days-Ruipa Fund		
	<u>3,453,332</u>	-

SUGAR BOARD OF TANZANIA (SBT)

**13. PROPERTY, PLANT AND EQUIPMENT
YEAR ENDED 30 JUNE 2023**

COST	Land	Buildings	Fixtures & Equipment	Plant & Machinery	Computer & Accessories	Motor Vehicles	TOTAL
	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'
At the start of year	4,289,023	2,039,927	559,787	352,766	250,524	1,267,435	8,759,462
Additions	-	-	105,936	2,026	21,069	0	129,030
	4,289,023	2,039,927	665,723	354,792	271,593	1,267,435	8,888,492
Adjustment *	-	-	-	-	-7,926	-16,000	-23,926
Adjustment **	-	-	-	-	-	38,676	38,676
At the end of year	4,289,023	2,039,927	665,723	354,792	263,667	1,290,111	8,903,243
ACCUMULATED DEPRECIATION							
At the start of year		303,466	458,681	214,267	174,879	847,564	1,998,857
Charge for the year	-	40,799	43,205	11,614	8,458	157,926	262,001
		344,265	501,886	225,881	183,337	1,005,490	2,260,858
Adjustment ***	-	0	0	0	-5,554	-16,000	-21,554
At the end of year		344,265	501,886	225,881	177,783	989,490	2,239,305
NET BOOK VALUE	4,289,023	1,695,662	163,837	128,911	85,884	300,621	6,663,938

SUGAR BOARD OF TANZANIA (SBT)

YEAR ENDED 30 JUNE 2022

COST

At the start of year	4,289,023	2,039,927	558,026	352,766	192,509	1,175,088	8,607,339
Additions *	-	-	-	-	-	-56,823	-56,823
Additions	-	-	1,761	-	58,015	149,170	208,946
At the end of year	<u>4,289,023</u>	<u>2,039,927</u>	<u>559,787</u>	<u>352,766</u>	<u>250,524</u>	<u>1,267,435</u>	<u>8,759,462</u>

ACCUMULATED DEPRECIATION

At the start of year	-	262,667	415,476	202,726	147,264	741,254	1,769,387
Adjustment **	-	-	-	-	-	-34,094	-34,094
Charge for the year	-	40,799	43,205	11,541	27,615	140,404	263,564
At the end of the year		<u>303,466</u>	<u>458,681</u>	<u>214,267</u>	<u>174,879</u>	<u>847,564</u>	<u>1,998,857</u>

NET BOOK VALUE

<u>4,289,023</u>	<u>1,736,461</u>	<u>101,106</u>	<u>138,499</u>	<u>75,645</u>	<u>419,871</u>	<u>6,760,604</u>
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Source of data: Fixed Asset Register for 2022/23

**During the year 2022/23, the Board sold two motor vehicles Therefore, an adjustment has been passed to these financial statements for recognizing the impact on cost and accumulated depreciation.

There were also unused computers which have been disposed and the values have been adjusted to these financial statements as well.

14. INVESTMENT PROPERTY

The Investment Property is held by the Board for earning rental income. Investment Property is held under leasehold interest. The fair value of the Investment Property as at 30 June 2023 has been arrived at, on the basis of revaluation carried out in July 2023 by Ardhi University where by some of the rates increased significantly due to increase in market value and location of the properties. The fair values of Investment Property are shown:

	2022/23		Fair Value	2021/22
		Addition	Changes	
	TZS '000'	TZS '000'	TZS '000'	TZS '000'
Fair value				
Sukari House	14,835,009	-	1,098,825	13,736,184
Makambako Godown	1,103,000	-	-13,000	1,116,000
Mikocheni Investment	8,496,000	-	-67,000	8,563,000
Kurasini Godown	12,535,000		68,000	12,467,000
Rented Houses	15,160,000	-	43,000	15,117,000
	52,129,009	-	1,129,825	50,999,184

Source of data: Valuation Report for 2022/23

15. INTANGIBLE ASSETS

YEAR ENDED 30 JUNE 2023	Tally Accounting Package	TOTAL
	TZS '000'	TZS '000'
COST		
At the start of year	18,321	18,321
Additional	-	-
At the end of year	18,321	18,321
ACCUMULATED AMORTIZATION		
At the start of year	12,696	12,696
De-recognition*		
Charge for the year	1,125	1,125
At the end of the year	13,821	13,821
NET BOOK VALUE	4,500	4,500
YEAR ENDED 30 JUNE 2022		
COST		
At the start of year	18,321	18,321
Additional	-	0
At the end of year	18,321	18,321
ACCUMULATED AMORTIZATION		
At the start of year	11,571	11,571
Charge for the year	1,125	1,125
At the end of the year	12,696	12,696
NET BOOK VALUE	5,625	5,625

	2022/23	2021/22
	TZS '000'	TZS '000'
16. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payable and Accruals	1,015,315	544,478
Audit Fees payable	<u>36,554</u>	<u>38,150</u>
	<u>1,051,869</u>	<u>582,628</u>
17. PAYABLES FROM NON-EXCHANGE TRANSACTIONS		
Gratuity payable (Note 17 (a))	4,116	-
Staff Other payables	<u>328</u>	<u>907</u>
Consolidated Fund Payable		<u>42,860</u>
	<u>4,444</u>	<u>43,767</u>
(a) Movement on gratuity payable		
At start of year	-	8,857
Addition for the year	<u>4,116</u>	<u>-</u>
Sub total	<u>4,116</u>	<u>8,857</u>
Less: gratuity paid	-	<u>-8,857</u>
At end of year	<u>4,116</u>	<u>-</u>

Gratuity payable for the year 2022/23 is in respect of employees working on contract basis. The contract rate concerning gratuity due is 10% of basic Salaries.

18. Capital Grant

In the year 2012/13, the Board received capital Grant of TZS 1.15 billion from the Government through Ministry of Agriculture for RUIPA project aiming at facilitating preparations of new potential areas for investment purposes to address sugar deficit and growing sugar demand in the country. However, the project has not started since then. In prior years, the fund was reduced by cost of RUIPA's office rental, and the project meeting expenses. The remaining balance has been invested in Treasury Bills from time to time.

The movement of Ruipa Fund in financial statements as at 30 June 2023 is shown below:

	30 June 2022	30 June 2021
	TZS '000'	TZS '000'
Investment at start of year	1,180,657	1,130,641
Accrued interest *	-	-5,141
Interest received	<u>49,304</u>	<u>55,157</u>
Investment at end of year	<u>1,229,961</u>	<u>1,180,657</u>

19. CAPITAL FUND

Net assets of TZS 6,568,307,000 were taken over from the defunct Sugar Development Corporation (SUDECO) at the establishment of Sugar Board of Tanzania in July 2003.

Hence, represent capital fund for the Board.

	2022/23	2021/22
	TZS '000'	TZS '000'
20. FEES AND LEVIES		
Sugar import levies	4,277,955	4,872,147
21. REVENUE FROM RENTED PROPERTIES		
Residential Building	326,426	317,258
Sukari House	547,710	622,078
Godown	825,785	759,241
	1,699,921	1,698,577
22. FINANCE INCOME		
Accrued interest income from Treasury Bills*	-	-6,566
Received interest income from Treasury Bill	62,751	70,171
	62,751	63,605

	2022/23	2021/22
	TZS '000'	TZS '000'
23. OTHER INCOME		
Unrealized income on fair value of Investment Property (Note 14)	1,129,825	3,381,429
Recovery from SUDECO debt on sugar proceeds	3,000	6,600
Other receipts	1,040	1,980
Asset Disposal	36,200	0
Gain on Exchange rate	1,860	0
	1,171,925	3,390,009

	2022/23	2021/22
	TZS '000'	TZS '000'
24. SALARIES, WAGES AND EMPLOYEE BENEFITS		
Basic salaries	1,297,825	1,015,645
Change of employment/retirement benefits	-	
Employer's pension contribution	146,057	125,609
Gratuity expenses	4,116	383
Gratuity paid to PSSSF (Employer's Advance)	-	2,702
House maintenance allowance	190,414	153,550
Leave travel	139,208	126,713
Medical expenses	1,094	1,042
NHIF employer's contribution	57,895	23,879
Outfit allowance	2,900	3,000
Overtime	115,249	88,046
Responsibility allowance	2,810	4,320
Staff house furniture	62,034	74,000
Staff transport allowance	273,274	163,272
Staff welfare	281,048	259,470
Training and recruitment	132,049	149,958
Workers Compensation Fund	9,063	7,659
	2,715,034	2,199,247

	2022/23	2021/22
	TZS '000'	TZS '000'
25. MAINTENANCE EXPENSES		
Cleaning and sanitation	24,984	800
Electricity and power	54,270	40,866

Elevator Charges	2,921	3,236
Fuel and lubricants vehicles	128,905	62,074
Gardening	4,914	4,914
Insurance	88,588	78,198
Office equipment/furniture maintenance	-	-
Properties maintenance (Depot, Residential Houses)	68,952	72,770
Property tax	3,016	-
Repair and maintenance of vehicles	59,699	74,016
Repair office equipment	4,637	10,502
Residential rehabilitations	157,945	82,473
Security services	114,078	132,088
Stamp duty	15,906	13,490
Sukari house maintenance	44,55	28,290
Water & sewerage charges	23,218	17,288
Withholding tax expense	185,75	147,914
	982,338	768,918

	2022/23	2021/22
	TZS '000'	TZS '000'
26 OFFICE SUPPLIES AND CONSUMABLES EXPENSES		
Appointment and Disciplinary Committee	1,626	3,783
Audit Committee expenses	25,900	39,722
Audit SBT internal and external Controls	11,500	18,300
Board local travel costs	53,188	48,182
Board meetings expenses	170,614	4,928
Book's publication and periodicals	5,484	6,174
Budget preparations and accounts close	91,913	82,450
Corruption prevention practices	3,870	3,077
Debt Collection	33,728	14,200
Directors' fees	36,750	12,250
Donation	61,100	35,000
Entertainment expenses	33,046	24,511
Executive Committee Expenses	6,725	13,307
Finance and Administration Committee Meetings	36,162	25,891
HIV/AIDS awareness Campaign	-	3,077
ICT Steering Committee	8,060	11,676
Internet expenses (EDP expenses)	42,977	53,839
Investment committee expenses	23,300	45,380
Legal charges	17,400	19,328
Office consumable	32,130	30,740
Postage, telephone, and fax costs	41,727	27,569
Procurement Management Unit expenses	22,401	8,910
Rates, taxes, and licenses	1,152	18,977
Review and verify SBT expenditure	10,840	7,192
Review of Policies (Consultancy and Internal Capacity)	11,804	14,560
Sitting allowance and honoraria	187,500	76,150
Staff local travel costs	202,983	144,800
Tax rebate/subsidy	45,950	39,201
Tender Board expenses	14,118	8,480
Uniforms (drivers)	600	1,850
Website maintenance costs	38,379	13,922
Workers Council expenses	6,991	2,020
Total office supplies and consumables cost	1,286,343	859,446

	2022/23 TZS '000'	2022/21 TZS '000'
27 OPERATING EXPENSES		
Action plan for small and medium scale projects	11,70400	6,447
Advertisement and publicity	8,600	18,784
Advising miller/out growers on commercial agreements	10,911	6,123
Amendments of Sugar Acts and Regulations	45,507	25,760
Assurance and Consulting Services	54,005	21,442
Audit Fees	35,000	38,150
Bad debts write off	-	23,424
Bank charges	17,392	9,537
Better Cane Farm Method/Visit CG Assess Farm Implement	11,793	19,524
Budget Committee Meetings	37,883	56,759
Training on Outgrower /Crop Insurance(Bulk system training)	9,903	10,277
Cane production out growers' costs	6,889	7,576
Collect and Dissemination Inform on Sugar Data & Advertise	6,667	9,344
Commissioning of Mini Sugar Plant	166,510	71,420
Conduct Evaluation & Review of 5 Years SIDP & Strat	13,988	14,332
Conduct Inspection to Ethanol Producers/	11,896	4,379
Consultative meetings	31,465	42,357
Convene SC growers CF/ Conf with Law & Sens of AMCOS	14,811	28,488
Data Collection/ Survey Sugar	67,567	56,228
Director General's Office Activities	13,362	10,933
Establish Demo Plots in Cane Growing Areas	52,607	45,316
To Acquire New Accounting Package (MUSE)	11,872	-
Evaluation of Development Plan and Strategy	7,788	38,005
Expansion of Existing Sugar Factories	58,878	11,596
Farmers training costs	20,648	14,493
Facilitate Demarcation Potential Land for New Sugar Investment	24,148	-
To Implement Government Directives on ICT Systems & Data Buck up Management with E-GA by June 2023	13,382	-
Inspection Fields	37,743	11,334
Inspections and Monitoring Services		99,538
Integrate SBT IMSs with Other Government IS	21,376	22,047
Irrigation Infrastructures in Block, Synchronized Farms (Kilombero)	26,213	17,169
Loss on Asset Disposal	-	22,729
Loss on exchange rate		2,338
Monitor factory performance	10,030	16,208
Monitoring Uses of Imported Sugar and Audits	96,085	56,008
Negotiation and reconciliation on Cane Grower and Manufacturers	17,815	48,541
Other Audit Expenses	10,766	5,974
Pest Disease Control	25,746	4,328
Potential New Areas/Map Potential Areas for SC Prod	47,014	25,631
Impairment loss	2,372	-

Pre- Feasibility Study	15,637	24,565
Promotion of Investment in New Project Sugar		7,151
Register cane growers costs	47,941	32,483
Registration Industrial Users	16,260	13,171
Sensitize Farmers on Modernized Farm Equipment	11,589	25,490
Small Scale Sugar Technology	9,421	3,005
Stakeholders forum	278,254	132,741
Stationery and Printing	22,474	27,307
Study on Cost of Sugar	-	29,901
Subscription	4,733.00	2,035
Sugar Mills/OG Visit S/scale Proc Plant &Des Min SP	18,659	2,826
Survey sugar demand	42,527	42,971
TAC - License, import, and export costs	93,203	55,093
Tender evaluation, negotiations, and review	21,138	13,593
Conduct One Radio and TV Programme on Sugar	6,140	-
Industry Regularly Annually		
Reconcile and Mediate on Matters Relating to Sugar	22,680	-
Industry Regularly		
	1,670,990	1,334,871

28. REMITTANCE OF REVENUE TO THE CONSOLIDATED FUND

Sugar Board of Tanzania contributes a portion of its annual revenue to the Government Consolidated Fund in line with the Treasury Registrar (Powers and Functions) Act CAP 370 as amended through the Finance Act No. 16 of 2015. The portion of contribution to the Consolidated Fund is as shown below:

	2022/23	2021/22
Contributions to Consolidated Fund	TZS '000'	TZS '000'
Paid during the year	612,344	1,218,496
Accrued at end of year	307,853	42,860
<u>TOTAL</u>	<u>920,197</u>	<u>1,261,356</u>

29 EXPLANATION OF VARIATION BETWEEN BUDGET AND ACTUAL EXPENDITURE

DETAILS	ORIGINAL BUDGET 2022/2023	ACTUAL AMOUNT 2022/2023	DIFFERENCE 2022/2023	Explanations / Comments / Reasons
	a	b	c=b-a	
Fees, Fines, Levies and Licenses	4,062,060	4,277,955	215,895	Increase in levy collection was due to low production of sugar from producers because of bad weather condition which lead to more importation of gap sugar.
Revenue - Exchange Transactions	2,051,846	1,757,175	(294,671)	Some of the Government Institutions which were rented at Sukari House shifted to Dodoma. This resulted to decrease in revenue from Real Estate versus Budget
Finance Income	181,000	112,056	(68,944)	The difference in Treasury Bills maturity and financial reporting period
Government Subvention	1,000,000	1,000,000	-	
TOTAL REVENUE - A	7,294,906	7,147,186	(147,720)	
<u>EXPENSES</u>				
Salaries, wages, and employee Cost	2,375,518	2,715,034	339,516	Difference in salary scheme of previous and the new approved
Supplies and Consumables cost	567,247	1,286,343	719,096	Some payments made were included in the previous Commitments made which were included in the previous budget.
Maintenance expenses	799,051	982,338	183,287	Some payments made were included in the previous Commitments made which were included in the previous budget.
Operating Expenses	2,560,454	1,613,597	(946,857)	Some payments made were included in the previous Commitments made which were included in the previous budget.
Contribution to the Government	944,236	920,197	-24,039	15% contributions to the Government Consolidated Fund depend on actual collected revenue for the year. The amount paid was relative to the revenue collected during the FY 2022/2023.

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Audit Fees	40,000	35,000	-5,000	The audit fee expenses shown of TZS 35 million was for 2021/2022 payable, settled this year, while 2022/2023 is reflected in the budget of TZS 40 million, as audit fee provision payable.
Finance cost	8,400	17,392	8,992	During the year, the Government introduced some charges including VAT in each transaction passed in bank resulting to increased bank charges.
TOTAL EXPENSES - B	7,294,906	7,574,902	279,996	



30 CAPITAL COMMITMENTS

As at 30 June 2023, SBT had entered into various commitments in order to finance the Sugar Industry Development Plan and Strategy of 2021/22 to 2025/26 as detailed in the table below:

S/ N	Activities	Contract year	Contract sum (TZS '000')
1.	Min Sugar Plant investment project- RUIPA	2016/17	1,200,000
2.	To Establish irrigation Infrastructures in Block/synchronized farm.	2022/23	1,000,000
TOTAL			2,200,000

31 CONTINGENT LIABILITIES

There were no contingent liabilities during the year ended 30 June 2023.

32 COMPARATIVE FIGURES

Where necessary, the comparative figures have been reclassified to conform to changes in presentation in the current year.

33 AUTHORIZATION DATE

These financial statements were authorized for issue onby the Board of Directors.

34. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

		2022/23	2021/22
	Notes	TZS '000'	TZS '000'
Surplus/ (Deficit) from Ordinary Activities		374,523	3,335,811
Noncash Movement			
Depreciation	13	262,001	263,564
Amortization - Intangible Assets	15	1,125	1,125
Impairment Loss and disposal loss of intangible assets	27	2,372	-
Loss on disposal	27	-	22,729
Loss on exchange rate	27	-	2,338
Fair value adjustments			
Unrealized gain from Fair Valuation of Investments Property	23	(1,171,925)	(3,381,429)
Working Capital Movement			
Decrease/Increase in employee entitlements	17	4,116	(8,857)
Increase/(decrease) in payables	16,17	429,918	(98,525)
(Increase)/decrease in Inventory	11	5,402	(4,414)
Decrease in Receivables	9,10(a),10(c)	<u>(179,564)</u>	<u>(149,201)</u>
Total		<u>(272,031)</u>	<u>(16,859)</u>

35. NOTES TO THE CASH FLOW STATEMENT

Receipts from Rented Note	2022/23 TZS '000'	2021/22 TZS '000'
Properties		
Opening balance rent receivable 9	1,137,055	1,078,495
Rent income for the year 21	1,699,921	1,698,577
Closing balance rent receivable 9	(1,079,800)	(1,137,054)
Total	<u>1,757,175</u>	<u>1,640,018</u>
Compensation to Employees		
Opening balance staff receivable 10(a)	(133,850)	(230,735)
Opening balance staff receivable 10(c)	(107,345)	(1,248)
Opening balance Gratuity payable 17	8,857	10,097
Employee costs for the year 24	2,715,034	2,199,247
Closing balances staff receivable 10(a)	218,352	133,850
Closing balances staff receivable 10(c)	292,438	107,345
Closing balance staff payable 17	(328)	(907)
Total	<u>2,993,158</u>	<u>2,217,649</u>
Cash paid to Suppliers		
Opening balance payable to suppliers 16	544,478	417,225
Maintenance costs 25	982,338	768,918
Office supplies and consumables 26	1,286,343	859,446
Closing balance deposits made to suppliers	42,110	53,039
Closing balance payable to suppliers 16	(1,015,315)	(544,478)
Accrued cleaning services	(900)	-
Withholding tax on Directors fee	(3,675)	-
Accrued Valuation of investment properties for the year 2020/21	(8,050)	-
Accrued costs for budget preparation and accounts closing exercise	(23,760)	-
Total	<u>1,803,569</u>	<u>1,554,150</u>
Cash paid for Operations		
Opening balance payable for operating costs 17	38,150	34,164
Operating costs for the year 27	1,670,990	1,334,871
Closing balance payable for operating costs 17	(36,554)	(38,150)
Provision/Bad debts write off 27	-	(23,424)
Loss on Derecognition of Motor Vehicle Engine	-	(22,729)

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Loss on derecognition of intangible assets	-	-
Reclassification of Loss on exchange rate	-	(2,338)
Reclassification of Bank charges	<u>(17,392)</u>	<u>(9,537)</u>
Total	<u>1,655,194</u>	<u>1,272,857</u>

36. RELATED PARTY DISCLOSURES	2022/23	2021/22
Description	TZS '000'	TZS '000'
Directors Expenses	36,750	12,250
Emoluments to Key Management Personnel:		
Key Management Salaries	396,471	321,964
Pension/Gratuity	4,116	383
Staff Car loans outstanding*	<u>423,629</u>	<u>152,349</u>
Total	<u>824,216</u>	<u>474,696</u>
* Movement of Staff Car Loans		
At start of year	152,349	71,884
Add: New loan during the Year	<u>446,313</u>	<u>166,361</u>
Sub-Total	<u>469,579</u>	<u>238,245</u>
Less: Recovered and Tax Rebate	<u>-45,950</u>	<u>-85,896</u>
At end of year	<u>423,629</u>	<u>152,349</u>

37. NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS.

The approved budget is presented on cash basis and for the same period (from 1 July 2022 to 30 June 2023) as the financial statements.

SBT's budget and financial statements are prepared using a different basis from the financial statements. The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amount in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and accrual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and accrual amounts.

- a) A reconciliation between the actual amounts on a comparable basis as presented in the statement of comparison of budget and actual amounts and the actual amounts in the statement of cash flows for the year ended 30th June 2023 is presented below:

	Operating Activities TZS'000'	Financing Activities TZS'000'	Investing Activities TZS'000'	Total TZS'000'
2021/22				
Actual Amount in the Statement of Cash flows	(307,853)	49,304	(3,779,325)	(4,002,052)
Entity Difference (Note 35(b))	(40,240)	-	-	(40,240)
Basis difference (Note 35(c))	<u>(33,684)</u>	<u>(49,304)</u>	<u>(3,453,332)</u>	<u>(3,536,320)</u>
 Actual amount on comparable basis as presented in the budget and actual comparative statement	 <u>(345,955)</u>	 -	 <u>(7,232,657)</u>	 <u>(7,578,612)</u>

a)The details of Entity difference are as follows

	Operating Activities TZS'000'	Financing Activities TZS'000'	Investing Activities TZS'000'	Total TZS'000'
2022/23				
Recovery from former SUDECO bad debts	(3,000)	0	0	(3,000)
Other income	(1,040)	0	0	(1,040)
Disposal of M/vehicle	<u>(36,200)</u>	<u>0</u>	<u>0</u>	<u>(36,200)</u>
	<u>(40,240)</u>	-	-	<u>(40,240)</u>

b)The details of the Basis difference are as follows

	Operating Activities TZS'000'	Financing Activities TZS'000'	Investing Activities TZS'000'	Total TZS'000'
2022/23				
Accrued remittance to consolidated fund	(307,853)	-	-	(307,853)
Receipts against prior year's rent receivable	57,255	-	-	57,255
Receipts against prior year's other receivable	196,558	-	-	196,558
Movement of capital grant		(49,304)	-	(49,304)
Movement on investment in Treasury Bills		-	(3,453,332)	(3,453,332)
Payment against prior period obligations	257,822	-	-	257,822
Payment against future obligations	-	-	-	-
Gain on exchange rate	1,860	-	-	1,860
Other payables	<u>(239,326)</u>	-	-	<u>(239,326)</u>
Total	<u>(33,684)</u>	<u>(49,304)</u>	<u>(3,453,332)</u>	<u>(3,536,320)</u>