



THE UNITED REPUBLIC OF TANZANIA



NATIONAL AUDIT OFFICE

BUSINESS REGISTRATIONS AND LICENSING AGENCY (BRELA)

**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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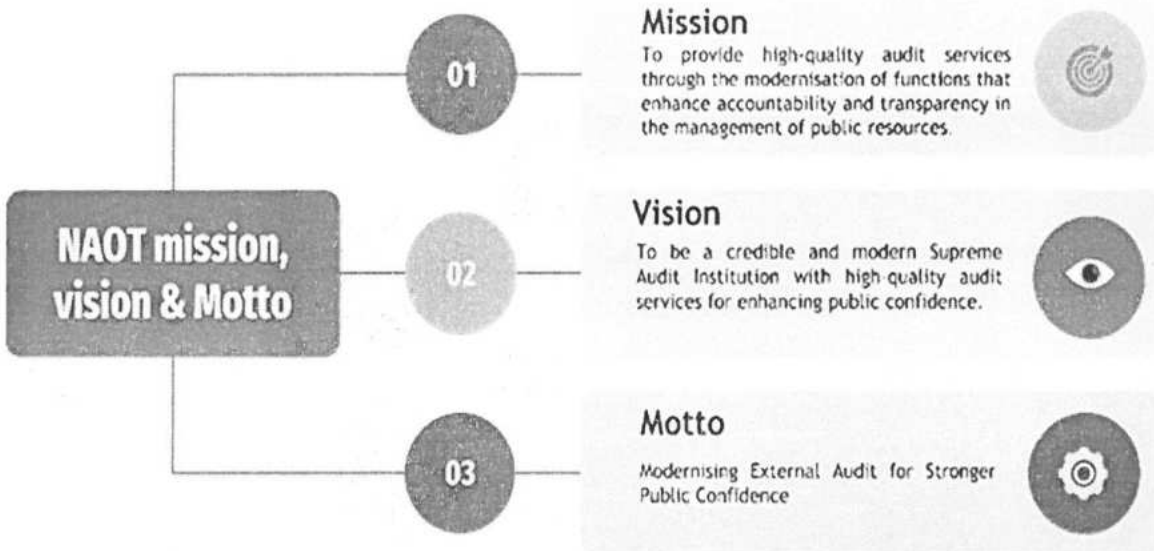
March 2024

AR/CG/BRELA/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[R.E 2021]



Independence and objectivity

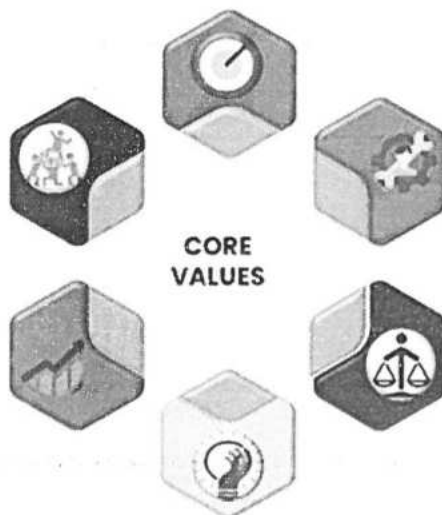
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

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

Integrity

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

Creativity and Innovation

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

© This audit report is intended to be used by Business Registration and Licencing Agency) 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

AG	Attorney General
BRELA	Business Registrations and Licensing Agency
BSAAT	Building Sustainable Anti- Corruption Action Plan Tanzania
CAG	Controller and Auditor General
EGA	E-Government Agency
FCC	Fair Competition Commission
ICT	Information Communication Technology
IESBA	International Ethics Standards Board for Accountants
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
LAN	Local Area Network
MAB	Ministerial Advisory Board
MIT	Ministry of Industry and Trade
NBAA	National Board of Accountants and Auditors
NBP	National Business Portal
NIDC	National Information Data Centre
ORS	Online Registrations System
PFA	Public Finance Regulations
PMG	Pay Master General
PPA	Public Procurement Act
PPR	Public Procurement Regulations
TR	Treasury Registrar
TRA	Tanzania Revenue Authority
UDSM	University of Dar Es Salaam

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Hon. Chief Executive Officer,
Business Registrations and Licensing Agency,
P.O. Box 9393,
DAR ES SALAAM, TANZANIA

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Business Registration and Licensing Agency, 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 Business Registration and Licensing Agency 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 Business Registration and Licensing Agency 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 with those charged with governance, comments by accounting officer, statement of members 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 [R.E 2021] requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on the procurement of works, goods, and services in the Business Registration and Licensing Agency for the financial year 2022/23 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, except for the matters described below, procurement of goods, works and services of Business Registration and Licensing Agency) is generally in compliance with the requirements of the Public Procurement laws.

i. Procured less than planned by 58 Percent

Reg. 69 (7) of Public Procurement Regulations, 2013 (amended 2016) requires a procuring entity to draw up procurement plans of the requirements for which sufficient fund have been budget for.

Contrary to the regulation above, review on the implementation of the annual procurement plan for 2022/23 revealed that BRELA planned to procure goods and services worth TZS 8,396,962,444.02 but up to the year end the agency managed to procure goods and services worth TZS 3,547,528,809.75, leaving un implemented procurement plan of goods and services worth TZS 4,849,433,634.27 equivalent to 58 percent. I attribute the deficiency to Inadequate preparation of Planned budget that resulted to unrealistic budget.

ii. Procurement exceeding approved budget by TZS 368,841,724

Regulation 69(3) of the Public Procurement Regulations, 2013 (amended 2016) require a procuring entity to forecast its requirements for goods, services and works as accurately as is practicable with particular reference to services or activities already programmed in the annual work plan and included in the annual estimates. Contrary to the regulation above, I noted that BRELA entered into several contracts with contract sum exceeding the approved budget by TZS 368,841,724. I attribute this weakness to inadequate internal control system in Management of the budget.

- iii. **Micro Procurements not Reported Monthly to Tender Board TZS 193,928,258.84**
Reg.166 (7) of the Public Procurement Regulations, 2013 (amended 2016) states that, all Micro procurements shall be reported to the tender board on a monthly basis by the holder of delegated authority, using the appropriate procedural form issued by the PPRA. Contrary to the regulation above, review of sampled payment vouchers for BRELA noted that micro procurements worth TZS 193,928,258.84 were not reported on a monthly basis to tender board.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the Business Registration and Licensing Agency 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, except for the matters described below, Budget formulation and execution of Business Registration and Licensing Agency) is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

i. Inadequate functioning of the budget committee in budget monitoring

Para 113 (x) of the Budget Plan Guideline of 2022/23 requires the accounting officers to hold meetings of the budget committee to review and discuss the information of monitoring, evaluation and implementation every quarter for transparency and accountability.

Also Reg. 17(3) of the Budget Regulation, 2015 REQUIRES the budget committee TO review revenue collection measures, allocate resources based on the strategic plan and national priorities without exceeding the ceiling provided by the paymaster general, evaluate budget performance and perform other functions as described in the plan and the budget guidelines, treasury registrar circulars and directives. To the contrary review of BRELA budget file revealed that in the financial year 2022/23 the budget committee conducted only one meeting that was held from 19-20 Jan 2023 and on 23 Jan 2023 in which the committee mainly discussed concerning the Budget issues for the financial year 2023/24. The deficiency is attributed by inadequate performance of the budgetary committee.


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

March 2024



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2.0 FINANCIAL STATEMENTS

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2023

1.0. INTRODUCTION

1.1. Overview

In compliance with the Executive Agencies Act No. 30 of 1997; the Companies Act Cap. 212, the Public Finance Act Cap. 348 [R.E 2020], Public Procurement Act No 7 of 2011, Public Procurement Regulations 2013 as amended 2016, the Tanzania Financial Reporting Standard (TFRS) No. 1 on Governance Report; Technical Pronouncement No.1 of 2016 by NBAA on Declaration of the Head of Finance/Accounting responsible for preparation of financial statements of the entity; the Business Registrations and Licensing Agency (BRELA) is pleased to present the Financial Statements for the year ended 30th June 2023 which discloses the state of financial affairs of BRELA.

1.2. BRELA Establishment

Business Registrations and Licensing Agency (BRELA) is a semi-autonomous Government Executive Agency under the Ministry of Industry and Trade, responsible for business regulation and facilitation. BRELA was established by the Government under the Executive Agencies Act No. 30 of 1997, through Establishment Order No. 38A of 8 October 1999 and was officially launched on the 3 December 1999. BRELA was established to facilitate orderly conduct of Business and administration of the Companies Act Cap 212, The Business Names Act Cap. 213, The Trade and Service Marks Act Cap. 326 [R.E. 2002], Grant of Patents of Inventions under the Patents (Registration) Act, Cap. 217 [R.E. 2002]. The National Industries (Licensing & Registration) Act. Cap 46 [R.E. 2002] and the Business Licensing Act Cap 208 [R.E. 2002].

1.3. Vision

A Centre of excellence in the region for business registrations and licensing services.

Mission

To create a conducive business environment in the country by formalizing Businesses and protecting Industrial Properties through Registration, Licensing and regulating fair conduct of Businesses.

Core Values

In pursuing its Vision and Mission, BRELA embraces the following values:

Respect for the rule of law: We commit to serve customers with strict adherence to the laws of the land;

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Fairness and impartiality: We treat our customers and stakeholders fairly and with respect and dignity;

Accountability: We are responsible for our actions and decisions in carrying out our functions;

Teamwork: We are committed to giving the highest standards of services through combined efforts and skills; and

Customers Focus: We strive to meet our customers' needs and expectations.

1.4. Principal Activities

BRELA has the following activities which are implemented under various Acts as shown in parentheses in each role: -

- i. To Register Companies (The Companies Act, Cap. 212);
- ii. To Register Business Names (The Business Names Act, Cap. 213 R.E. 2002);
- iii. To Register Trade and Service Marks (The Trade and Service Marks Act, Cap. 326 R.E. 2002);
- iv. To Grant Patents (The Patents (Registration) Act, Cap. 217 R.E. 2002);
- v. To issue Industrial Licences the National Industries Licensing and Registration Act, Cap 46 R.E. 2002); and
- vi. To issue Group "A" Business Licences (The Business Licensing Act Cap. 208 R.E. 2002).

1.5. CORPORATE GOVERNANCE

Preamble

BRELA complies with international and domestic standards and practices of good governance. At the top of the organizational structure are members of Ministerial Advisory Board (MAB), which is the Governing Body. The members take oversight responsibility for supervision and administration of the assets, ensuring the existence of a comprehensive system of internal controls and sound corporate governance principles. The main duties and responsibilities of the Members include creating policies and providing guidance for the efficient administration of BRELA.

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

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1.5.1. Ministerial Advisory Board Committees

The Board has established two (2) Committees that oversee performance of the Agency. Each Committee has been assigned specific responsibilities to achieve the Agency's objectives for better carrying out of its functions. These Committees include (i) Technical Committee; and (ii) Finance, Planning, and Administrative Committee.

Composition of the Ministerial Advisory Board

The Ministerial Advisory Board (MAB) of BRELA is constituted by five members including the Chairperson who is a non-executive appointed by the Minister responsible for Industry and Trade.

Members of the MAB who served during the year under review are indicated in Table 1 below:

Table 1: Members of the MAB for the period ended 30th June 2023

No.	Name	Position	Gender	Qualification	Nationality	Date of Appointment	Date of Tenure End	Age
1.	Prof. Neema Mori	Chairperson	Female	(PhD) International Business Majoring on Corporate governance and Boards of Financial Institutions.	Tanzanian	16.08.2021	15.08.2024	45
2.	Mr. Elias Kalist	Member	Male	(LLM) Corporate and Commercial Relation	Tanzanian	16.08.2021	15.08.2024	47
3.	Ms. Judith Kadege	Member	Female	(MA) Intellectual Property	Tanzanian	16.08.2021	15.08.2024	43
4.	Dr. Fredy Msemwa	Member	Male	CPA(T), PhD (Business Admin), MBA Finance (UK)	Tanzanian	16.08.2021	15.08.2024	51
5.	Mr. Allen Kasamala	Member	Male	LLB, (MA) Security and Strategic Studies	Tanzanian	16.08.2021	15.08.2024	46

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Table 2: Number of meetings attended by individual Members of the MAB

No.	Name	Required number of ordinary meetings	Ordinary meetings attended	Extraordinary meetings attended
1.	Prof. Neema Mori	4	3	1
2.	Mr. Elias Kalist	4	2	1
3.	Ms. Judith Kadege	4	3	1
4.	Dr. Fredy Msemwa	4	3	1
5.	Mr. Allen Kasamala	4	3	1

During the year under review, three MAB meetings were convened and different issues were deliberated including: -

- (i) Assessment and advice on the development and maintenance of online service delivery;
- (ii) Advice on the relevance of Strategic Plan, Annual Work Plan and Budgets.
- (iii) Setting of priorities and annual performance targets for the Agency
- (iv) Review of the Agency's Performance;
- (v) Matters pertaining to BRELA Office premises; and,
- (vi) Other matters affecting the Agency as provided for under the Executive Agencies Act No. 30 of 1997.

1.5.1.1. The Technical Committee

The Technical Committee is composed of two appointed Members who are professionals, with mandate to provide technical advice to the Board on matters related to major technical functions of the Agency to ensure maximum realization of set goals.

Members of the Technical Committee who served during the year under review are indicated in Table 3 below:

Table 3: Members of the Technical Committee for the year ended 30 June 2023

No.	Name	Position	gender	Qualification	Nationality	Date of Appointment	Date of Tenure End	Age
1.	Ms. Judith Kadege	Chair person	Female	(MA) Intellectual Property	Tanzanian	21.04.2022	15.08.2024	43
2.	Mr. Elias Kalist	Member	Male	(LLM) Corporate and Commercial Relation	Tanzanian	21.04.2022	15.08.2024	47

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Table 4: Number of meetings attended by individual Members of the Technical Committee.

No.	Name	Number of meetings required	Number of Meeting attended
1.	Ms. Judith Kadege	4	3
2.	Mr. Elias Kalist	4	3

1.5.1.2. The Finance, Planning and Administrative Committee

The Finance, Planning and Administrative Committee is composed of two Members who are appointed professionals. The Committee advises the Board on the issues relevant to the Agency in respect of the policies, practices, and strategies on the management of the planning and financial affairs, financial reporting as well as reviewing policy papers and make recommendations on the functions delegated to them.

Members of Finance, Planning, and Administrative Committee who served during the year under review are indicated in Table 5 below:

Table 5: Member of Finance, Planning, and Administrative Committee for the year ended 30 June 2023

No.	Name	Position	Qualification	Gender	Nationality	Date of Appointment	Date of Tenure End	Age
1.	Dr. Fredy Msemwa	Chairman	CPA(T), PhD (Business Admin), MBA Finance (UK)	Male	Tanzanian	21.04.2022	15.08.2024	51
2.	Mr. Allen Kasamala	Member	LLB, (MA) Security and Strategic Studies	Male	Tanzanian	21.04.2022	15.08.2024	46

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Table 6: Number of meetings attended by individual Members of the Finance, Planning, and Administrative Committee

No.	Name	Gender	Number of meetings	Number of Meeting attended
1.	Dr. Fredy Msemwa	Male	4	3
2.	Mr. Allen Kasamala	Male	4	3

1.6. Audit Committee of the Agency

Audit Committee is composed of six appointed professionals three from outside the entity and three internally appointed. The Audit committee provides a reporting place for the internal auditors and external auditor in order to execute their work more independently and properly. The audit committee advises the Accounting Officer and the BRELA management team on the findings of the internal auditor in order to strengthen the internal controls and actions to be taken.

Members of Audit Committee who served during the year under review are indicated in Table 7 below:

Table 7: Members of the Audit Committee for the year ended 30 June 2023

No.	Name	Position	Gender	Qualification	Nationality	Date of Appointment	Date of Tenure End	Age
1.	Mr. Elihuruma S. Lema	Chairperson	Male	CPA(T) Masters of Business Administration Bach. Of Business Accounting and Finance.	Tanzanian	December 2022	December 2025	42
2.	Mr. Tuntufye A. Mwambene	Member	Male	CPA(T), CIA	Tanzanian	December 2022	December 2025	46
3.	Ms. Shangwe S. Lelo	Member	Female	Master Degree-Human Resource Management	Tanzanian	December 2022	December 2025	34
4.	Mr. Tawi G. Kilumile	Member	Male	Master Degree-International Trade	Tanzanian	December 2022	December 2025	43
5.	Mr. Magaka F. Domu	Member	Male	Master of Business of Administration LLM	Tanzanian	December 2022	December 2025	46

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No.	Name	Position	Gender	Qualification	Nationality	Date of Appointment	Date of Tenure End	Age
6	Ms. Loy W. Mhando	Secretary	Female	Master of Law	Tanzanian	December 2022	December 2025	49

The Audit Committee was appointed in December 2022 in the financial year 2022/23. During the said period, the Committee has convened two (2) ordinary meetings that deliberated various matters and advised the Management accordingly.

Table 8: Number of meetings attended by individual Members of Audit Committee

No.	NAME	Number of meetings Required	Meetings Ordinary
1.	Mr. Elihuruma S. Lema	4	2
2.	Tuntufye A. Mwambene	4	1
3.	Shangwe S. Lelo	4	1
4.	Tawi G. Kilumile	4	2
5.	Magaka F. Domu	4	2
6	Loy W. Mhando	4	2

1.7. Management Structure

The Ministerial Advisory Board members of the Agency have delegated the day-to-day operations to Management under the leadership of the Chief Executive Officer. The Chief Executive Officer of BRELA is responsible for ensuring all functions of BRELA are carried out effectively and efficiently.

The Chief Executive Officer is assisted by four Divisional Directors and five Head of Units.

i. Directorate

a) Directorate of Business Support

The Directorate is responsible for providing expertise in delivery of support services in human resources management and administration. The directorate is also responsible for coordinating planning and budgeting, monitoring and evaluation and performance reporting.

b) Directorate of Companies and Business Name

The Directorate is responsible for implementation of the provision of the law in Companies incorporation, processing and administration; Management of records on

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incorporated companies; Business Names registration, processing and administration; and Management of records of registered names.

c) Directorate of Intellectual Property

The Directorate of Intellectual Property for administration of Trade and Service Marks Act Cap. 326 [R.E. 2002] and the Patents (Registration) Act Cap. 217 [R.E 2002] including receiving and processing Patents, Trade and Service Marks, Grant of Patent, Registration of Trade and Service Marks, Attending Post Registration activities and queries, Processing certifications for Trade & Service Marks and Responding to Trade & Service Marks official searches.

d) Directorate of License

The Directorate is responsible for issuing business and industrial license and administration of the implementation National Industries (licensing and registration) Act Cap. 46 and Business Licensing Act Cap. 208.

ii. Independent Units under Chief Executive Officer's Office

a) Internal Audit Unit

Internal Audit Unit is established to provide independent, objective assurance and consulting services designed to add value and improve BRELA operations. It assists Management and the MAB to accomplishing set objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the Agency's Governance, Risk and internal controls. The Internal Audit function reports functionally to the Audit Committee and administratively to the Chief Executive Officer.

b) Procurement Management Unit

Procurement Management Unit is established in accordance with the requirements of the Public Procurement Act (PPA) of 2011 and its Regulations as amended. The Unit is responsible for the execution of the procurement functions and provision of expertise in procurement of goods, works and services for the Agency. The unit is also the main information gateway in relation to all procurement activities including disposal of assets to ensure needs of all Directorates and Units are timely met for efficiency in operational activities.

c) Public Relations Unit

The Public Relations Unit is responsible for advising the Chief Executive Officer on Communication and Public Relations strategies, plans, programs and activities and supervises the same to build a positive image of the agency to the public.

d) Information, Communication Technology and Statistics Unit

The Unit is responsible for advising the Chief Executive Officer on the management and administration of Information and Communication Technology (ICT), infrastructure and associated services. It deals with developing and implementing effective ICT systems

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that will lead to improved business processes, improved computer applications and improved knowledge sharing.

e) Business Registry Unit

The main responsibilities of Business Registry Unit are to keep all physical and electronic records in proper way, and ensure confidentiality, accessibility and timely availability when needed.

f) Finance and Accounts Unit

Finance and Accounts Unit is established to provide expertise in Management and Administration of finance and accounts functions of the Agency. This entails managing revenue collection to meet day to day financial needs and financing of all operations, activities and projects being undertaken.

During the year, Members of Management were as follows:

Table 9: Members of Management

No.	Name	Gender	Age	Qualifications	Designation
1.	Mr. Godfrey S. Nyaisa	Male	51	CPSP, (MBA) Finance and Banking	Chief Executive Officer
2.	Mr. Daimon N. Kisyombe	Male	45	Masters of Human Resource Management	Director of Business Support
3.	Mr. Meinrad T. Rweyemamu	Male	45	LLB	Ag. Director of companies and Business names.
4.	Mr. Andrew B. Mkapa	Male	59	LLM	Director of Licences
5.	Ms. Loy W. Mhando	Female	49	Master of Law	Ag. Director of Intellectual Property
6.	CPA. Peter A. Mbotto	Male	49	ACPA (T)	Senior Internal Auditor
7.	CPA Fatuma A. Mwenkalle	Female	53	CPA(T), (MBA) Finance and Banking,	Ag. Chief Accountant
8.	Mr. Thadeo E. Ndazi	Male	40	CPSP, (MBA) Corporate Management	Head of Procurement Management Unit
9.	Ms. Roida N. Andusamile	Male	55	Masters of Public Relations	Head of Public Relations Unit
10.	Mr. Enock E. Chenya	Male	37	(MSC) Information System	Head of ICT and Statistics Unit

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No.	Name	Gender	Age	Qualifications	Designation
11.	Ms. Angela A. Kimario	Female	38	LLB	Ag. Head of Business Registry Unit

1.8. RESOURCES AND STRENGTHS

BRELA uses its human, financial and technological resources to achieve its strategic objectives. BRELA adheres to good governance principles and promotes good labour relations that provide conducive working environment for discharging its mandates.

BRELA has adequate instruments to facilitate performance of its duties including a Strategic Plan (2021/22 - 2025/2026) which identifies the Strength, Weaknesses, Opportunities and Challenges and calls for strategies to use/mitigate them. Furthermore, the Strategic Plan sets out strategic objectives and targets to effectively direct resources and guide the performance of BRELA.

The Agency enhances its financial sufficiency by improving management of its resources through prioritization of initiatives, implementing initiatives within the available financial resources to generate adequate revenue for timely implementation of planned activities. The financial resources are utilized to execute BRELA mandates of facilitating and promoting business activities.

1.9. STRATEGIC OBJECTIVES AND KEY PERFORMANCE INDICATORS

BRELA five-year (5) Strategic Plan (2021/22 - 2025/2026) is the leading instrument for planning, priority setting and decision making. It places emphasis on strategies to be executed to achieve the strategic objectives. In order to realize the strategic goals, BRELA prepares annual plan and budget with a result-based management orientation as envisioned in the five (5) year Strategic Plan. The Key Performance Indicators (KPIs) in Table 10 are used to track progress towards achievement of the strategic objectives.

Table 10: Strategic Objectives and Key Performance Indicators

Objectives	KPIs	Strategy
HIV/AIDS Infections and Non-communicable Diseases Reduced and Support services Improved	i. Level of Staff satisfaction; ii. Level of customer satisfaction; iii. Audit Opinion	i. Strengthen resource management; ii. Improve business processes; iii. Improve working environment; and iv. Improve public awareness on BRELA activities.

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Objectives	KPIs	Strategy
National Anti-Corruption Strategy and Good Governance enhanced	<ul style="list-style-type: none"> i. % of corruption incidences resolved; ii. Stakeholders perception on corruption at BRELA 	<ul style="list-style-type: none"> i. Enhance ethical conduct of staff; ii. Improve anti- corruption measures management of Corruption and Develop and Implement anti- corruption awareness programs; iii.
Registration and Licensing Services Improved	<ul style="list-style-type: none"> i. Level of compliance; ii. Perception of stakeholders on conducive business environment 	<ul style="list-style-type: none"> i. Improve registration and licensing; ii. Improve compliance
Institutional Capacity to Deliver services and awareness Enhanced	<ul style="list-style-type: none"> i. Level of staff satisfaction ii. Level of customers satisfaction iii. Audit opinion 	<ul style="list-style-type: none"> i. Strengthen resource management; ii. Improve business processes; iii. Improve working environment; and iv. Improve public awareness on BRELA activities.

. This Statement was approved and authorized for issue by the Members of MAB on 31 August 2023 and signed on their behalf by:

SIGNATURE:

.....
Neema Mori

.....
Godfrey Nyaisa

NAME:

Prof. Neema Mori

Godfrey Nyaisa

DESIGNATION:

CHAIRPERSON

CHIEF EXECUTIVE OFFICER

**THE UNITED REPUBLIC OF TANZANIA
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2. COMMENTS BY ACCOUNTING OFFICER ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2.1. Introduction

The Business Registrations Licensing Agency (BRELA) is a Government Agency established under the Executive Agencies Act Cap 245, to facilitate orderly and fair conduct of business and provision of Business Registrations, Licences and Regulatory Services for creating a conducive business environment in the country. The key functions of the Agency include registration of Companies, Business Names, Trade and Service Marks, Granting of Patents and issuance of Business and Industrial Licences.

BRELA financial statements for the year ended 30 June 2023 have been developed based on the review and analysis of performance as set out in the budget and action plan for the financial year 2022/2023. The Agency has taken a fast pace in improving its overall effectiveness and performance in Business Registrations, Licensing and regulatory services as reflected in the financial performance while contributing to the creation of conducive business environment in the country in line with the Government drive to attract investment.

2.2. Plan and Budget for the year 2022/23

In the year under review BRELA strived to achieve the following objectives:

OBJECTIVE A: HIV/AIDS and Non-Communicable Diseases Infections Reduced and Support Services Provided;

OBJECTIVE B: National Anti-Corruption Strategy and Good Governance enhanced;

OBJECTIVE C: Registration and Licensing Services Improved; and

OBJECTIVE D: Institutional Capacity to Deliver Services and Awareness enhanced.

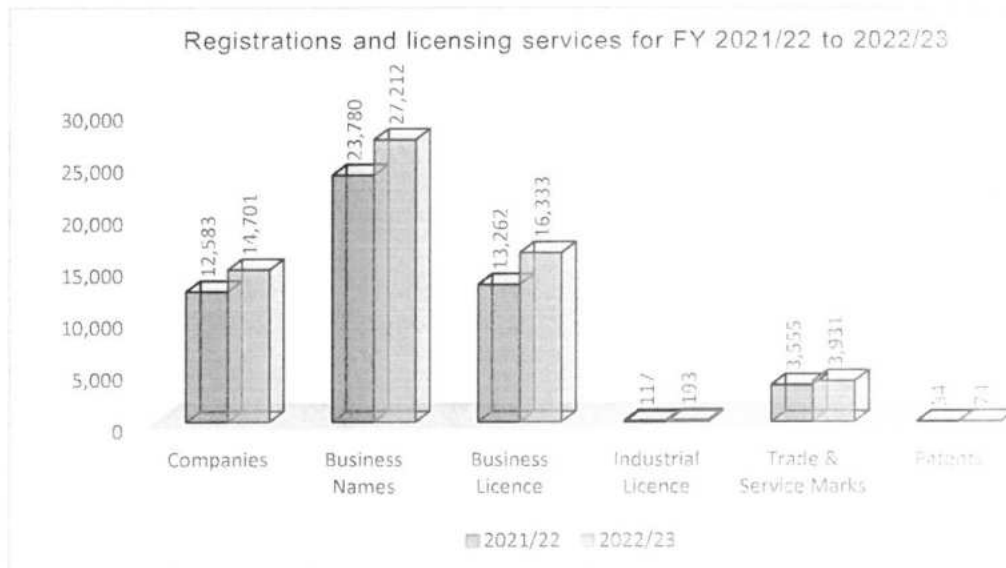
2.3. Highlights of Achievements for the year 2022/23

- (i) The Agency was able to prepare and implement an action plan for HIV/AIDS and one (1) awareness program on HIV/AIDS and Non-Communicable Diseases was conducted. Code of Ethics and Conduct was prepared and translated into Swahili and awareness conducted for compliance easiness. One (1) awareness program on Anti-Corruption, Ethics and Codes of conduct and three (3) Ethics Committee meetings were conducted.

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- (ii) The Agency has managed to register a total of 14,701 Companies out of planned 13,100 and 27,212 Business Names out of planned 25,100 which is equivalent to 112% and 108% respectively. Compared to 12,583 Companies and 23,780 Business Names registered during the year 2021/22, this performance marks a 17% and 14% increase respectively. BRELA Registered 3,931 Trade and Service Marks out of 4,120 annual target which is equivalent to 95%, and when compared to registered marks in 2021/22 this indicates an increase of 11%. The Agency processed 75 patent applications and granted 26 out of planned 35, equivalent to 74% target achievement.
- (iii) BRELA managed to issue 16,333 Business Licences out planned 13,750 and issued 193 Industrial Licences out of planned 200 which is equivalent to 119%, and 97% target achievement respectively. Compared to 13,262 Business Licences and 193 Industrial Licences issued during the year 2021/22, current year performance indicates 23% and 64% increase respectively.
- (iv) BRELA activities results mentioned in part (ii and iii) are analysed in the following Chart 1 below: -



The above statistics indicate an increase of 17 percent in registrations and licensing activities from the year 2021/2022 to 2022/2023, this is due to various reasons including;

- a) Improving performance by strengthening the electronic registrations and licensing systems availability thus increasing the number of registrations and licenses;
- b) Providing education to the public in various ways thus increasing the awareness of citizens on the necessity of formalizing their businesses in compliance to country

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- laws;
- c) Improving the working environment thus increasing the morale and performance of the Agency's employees;
 - d) Improving service delivery;
 - e) Providing Training to employees to cover gaps related to registrations and licensing services as well as customer service; and
 - f) Educative inspections conducted in targeting Industrial and Business Licences to identify businesses which do not comply with the law and help them comply with the law.
- (v) Providing information related to Companies, Business Names and Trademarks as well as services for various public needs and investigative authorities. As at 30 June 2023, BRELA managed to provide information related to 43,919 of companies, 10,011 of business names and 1,200 of trade and service marks.
- (vi) The Agency managed to upgrade the Online Registrations System (ORS) and Tanzania National Business Portal (TNBP) to improve service deliver. The improvements include merging the systems into one system where currently the three modules of the Companies, Business Names and Business Licences have been completed and are being tested.
- (vii) The Agency initiated reviews and provided opinions on company law, business licences, trade and service marks and patents laws. Further, BRELA participated in preparing the National Intellectual Property Policy under custodianship of the Ministry of Industry and Trade.
- (viii) Agency conducted eight (8) sensitization programs and participated in 12 public awareness programs, organized by various institutions. Additionally, BRELA managed to produce and air 24 TV programs through, as well as publication of 64 news stories in newspapers. The Agency participated in 14 exhibitions, including Dar es salaam International Trade Fair - (DITF), Nane nane, Mwanza East African Trade Fair, Mining Sector Exhibition, Northern Zone SIDO Exhibition, and other notable events. Furthermore, the Agency attended 104,250 customers through direct phone calls, 16,871 emails, 4,101 WhatsApp messages, 6,789 Instagram interactions, 1,758 Twitter mentions, and 3,850 Facebook inquiries. Along with that, BRELA addressed 29 Corporate Social Responsibility (CSR) requests from various organizations. Exhibitions attended are as displayed in the following table

EXHIBITIONS	PLACE/TIME
Nane nane Exhibitions	Mbeya - from 1 st - 8 August 2022

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EXHIBITIONS	PLACE/TIME
East Africa Trade Exhibitions	Mwanza - from 26 th August to 4 September 2022
Mara Expo	Mara - from 2 to 11 September 2022
6 th National Mineral exhibitions	Geita - from 27 September to 6 October 2022
Business and Investment Forum and Exhibitions	Coastal region - from 5 to 10 October 2022
SIDO Northern Zone Exhibitions	Arusha - from 19 to 25 October, 2022
Tanzania Industries product exhibitions	Dar es Salaam - from 3 to 9 December 2022
Cosmetics Exhibitions	Dar es Salaam - 10 December 2022
Law Day Exhibitions	Dodoma - from 25 January to 2 February 2023
Minerals and Investment exhibitions	Chunya Mbeya - from 18 March 2023
National Economic Empowerment Council exhibitions	Kigoma - from 21 to 27 May 2023
Tanga Trade Fair	Tanga - from 28 May to 6 June 2023
Dodoma Engineers exhibition	Dodoma - from 12 to 13 May 2023
Dar es Salaam International Trade Fair (DITF)	Dar es Salaam - From 28 June to 13 July 2023

2.4. FINANCIAL RESULT

The financial statements for the Year 2022/2023 provide a record of Agency's financial performance and financial position as at 30 June 2023. The financial statements also provide a comparative actual outturn of the previous financial year 2021/2022. An overview of BRELA's financial performance compared to the last financial year (i.e. 2021/2022) is as appearing bellow:

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**COMMENTS BY ACCOUNTING OFFICER ON THE FINANCIAL STATEMENTS FOR THE
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2.4.1. OVERVIEW OF FINANCIAL STATEMENTS

The financial statements present financial position, financial performance by nature and changes in net asset/equity, cash flow, statements of comparison of budget and actual amount and notes to the financial statement of BRELA as at 30 June 2023.

2.4.1.1. FINANCIAL POSITION

i. Cash and Cash Equivalent

At the end of the reporting period, there was cash and cash equivalent amounting to TZS 20,834,781,575 while the same for the last financial year 2021/22 was TZS 20,056,590,876. The increase was mainly caused by the increase of revenue collected.

ii. Receivables

During the period under review, the financial statements of Business Registrations and Licensing Agency recorded accounts receivable totalling TZS 235,892,265 this includes accrued revenue totalling TZS 205,724,070.14 and imprest amount of TZS 30,168,195 compared to TZS 337,777,159 reported during the last financial year. The decrease was due to receiving of accrued revenue which was not realized as at 30th June, 2022. The effort and internal controls that were put in place by the management will minimize outstanding receivables.

The age analysis of receivables is as shown below:

Details	Revenue (TZS)	Imprest (TZS)	Total (TZS)
Within 12 Months	205,724,070	-	205,724,070
Over 12 Months	-	30,168,195	30,168,195
TOTAL	205,724,070	30,168,195	235,892,265

iii. Prepayment

During the period under review, the financial statements of Business Registrations and Licensing Agency showed prepayment totalling TZS 215,319,110 as compared to TZS 87,161,772 reported during the last financial year. The increase was due to the purchase of Motor vehicle and Motor bike through GPSA that have not been received during the year.

iv. Inventories

These Inventories represent the amount of office consumables and stationaries which remained un-consumed at the end of the period. During the year under

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review, there was a total of TZS 103,503,716 of inventories as compared to TZS 38,762,509 for the year ended 30 June 2022. The increase of inventory was due to late supply of consumables during the year under review.

v. Property, plant and Equipment

Property, Plant and Equipment principally comprise of land, building, equipment, motor vehicles, office furniture and fittings etc., however, a memorandum of measurement is maintained in the Fixed Assets Register at historical cost/valuation of non-current assets of the BRELA. These represent the net value of total fixed assets of the Agency at the year end of the reporting period.

During the year under review there were total fixed assets at a net value of TZS 17,142,198,676 compared to TZS 4,697,792,217 reported during the last financial year. The difference is the result of inclusion of the building Plot No 23, Block No. 20, Shaaban Robert Street/Sokoine Drive which was granted to BRELA by the Government.

Further, there were no works in progress during the period under review since the Agency engaged Ardhi University to undergo valuation of the building which was completed in the financial year 2022/2023, after valuation the building has been captured in the books of accounts.

vi. Intangible Assets

During the year there were total intangible asset at a net value of TZS 1,288,558,381 compared to TZS 1,600,390,022 reported during the last financial year. The difference is the result of the amortization value during the period.

vii. Payables

Payables are expenses incurred but remained unsettled at the end of the reporting period. During the year the outstanding payables decreased to TZS **257,811,518** Compared to TZS **774,384,256** reported in the previous year. The decrease was due to payment made to suppliers and outstanding bills of National Identification Authority (NIDA) per each click paid during the year under review, also During the year the outstanding deposit increased to **397,620,846** compared to 384,455,576 reported in previous year the increase was due to retention of lift installed BRELA head quarter.

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The table below summarizes the maturity profile of trade and payables:

	Accrued Expenses (TZS)	Total (TZS)
Within 12 Months	617,625,360	617,625,360
Over 12 Months	37,807,005	37,807,005
Total	655,432,364	655,432,364

viii. Taxpayer's fund

During the financial year under review as well as the previous financial year, the Government had contributed to the BRELA a total of Taxpayers fund amounting to TZS 300,731,850

ix. Net asset

During the financial year under review, BRELA has the total net assets amounting TZS 39,164,821,359 while during the last financial year the entity's net asset amounted to TZS 27,757,716,443 the increase was due to Government grant related to Asset.

2.4.1.2. FINANCIAL PERFORMANCE

i. Revenue from exchange transaction

These represents revenues which are not tax in nature resulted from sale of services rendered by BRELA such as Business registration and licensing services.

During the year under review, the Business Registrations and Licensing Agency recorded revenue from exchange transaction totalling TZS 29,094,883,303 as compared to TZS 26,001,833,159 reported during the last financial year.

ii. Revenue from non-exchange Transactions

Revenue from non-exchange transactions represent revenues which are non-tax in nature such as fines and penalties due to non-compliance of laws. During the year under review, the financial statements of the Agency recorded revenue from non-exchange transaction totalling TZS 528,545,096 as compared to TZS 700,844,263 reported during the last financial year. The decrease is due to customer's compliance of laws as a result of awareness creation and sensitization programs to the public.

iii. Grant related to Assets

During the year under review the Agency recorded Grant related to Assets amounting to TZS 10,740,918,279. This is a result of valuation of office building Plot No 23, Block No. 20, Shaaban Robert Street/ Sokoine Drive that was given to BRELA by the Government.

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iv. Gain on Exchange Transactions

During the year there were no gain on exchange compared to TZS 243,040 reported during the last financial year. The difference is a result of foreign currency transactions which translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions.

v. Wages, Salaries and Employees benefits

Total expenses as at 30 June 2023 was TZS 5,919,619,514 compared to TZS 4,388,141,534 for the financial year 2021/22. The increase is due to changes in the numbers of employees resulting from transfers, promotions and new recruitment to cover various gaps.

vi. Supplies and Consumable goods

During the year under review actual expenses for supplies and consumable goods was TZS 6,009,782,587 compared to TZS 4,742,589,858 incurred as at 30 June 2022. The increase is due to increase in number of inspections, sensitization and public awareness programs through various media.

vii. Routine Maintenance and Repairs

Routine Maintenance and Repairs represent expenses incurred for maintenance of motor vehicles, minor renovation of buildings and other office equipment. During the year under review a total of TZS 462,005,414 was paid for routine maintenance and repairs compared to TZS 487,355,403 incurred during the last financial year 2021/22. The decrease was mainly due to major use of a new motor vehicle procured during the year.

viii. Depreciation and Amortization

During the financial year 2022/23, BRELA recorded depreciation expenses of TZS 1,858,011,741 for assets owned compared to TZS 918,354,665 recorded in the financial year 2021/22.

ix. Revenue transferred to Paymaster General

During the year under review BRELA remitted to Pay Master General (PMG) a total of TZS 14,377,855,564 (15% TZS. 4,377,855,564 and Excess Capital TZS. 10,000,000,000) compared to TZS 7,858,785,017 (15% TZS. 4,218,159,872 and Excess Capital TZS. 3,640,625,145) remitted in the financial year 2021/22. The difference is due to excess capital transferred from the accumulated surplus in the last year.

2.4.1.3. CASH FLOW STATEMENTS

i. Cash flow from operating activities

These include total revenue during the year of TZS 29,723,313,293 compared to TZS 27,377,247,378 for financial year 2021/22. The net cash from operating activities during

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the year under review is TZS 2,032,967,385 while the same for the last F/Y 2021/22 was TZS 9,385,685,744.

ii. Cash flow from Investing Activities

During the year under review, the management Paid cash from investing Activities amounting to TZS 1,254,776,686 (This amount excludes TZS 12,839,000,000 of the land and building Plot No 23, Block No. 20, Shaaban Robert Street/Sokoine Drive which was granted to BRELA by the Government) while the last financial years cash flow from the same activities was TZS 1,120,834,622. The increase was due to complete purchase of elevator.

2.4.1.4. COMPARISON OF BUDGET AND ACTUAL PERFORMANCE

i. REVENUE

During the year under review, the Management planned to collect TZS 28,904,217,240 but actual collection was TZS 29,723,313,293 the increase of TZS 819,096,053 was caused by massive sensitization programs conducted in various regions in the country which aimed at enhancing customer awareness on services rendered by the Agency and hence increasing customer base also improved service delivery.

ii. EXPENSES

During the year under review, the Management budgeted to spent TZS 28,904,217,240 but actual operating expenditure was TZS 27,690,345,908 and Capital expenditure of TZS 1,254,776,686. The decrease was due to unremitted 70% Excess Capital redemption during the year under review.

2.5. Action Plan and budget for the year 2022/23

Table 2: Budget and actual Performance for the year 2022/23

Description	PROJECTION/BUDGET			Actual 2022/23 TZS '000'	VARIANCE Amount 2022/23 TZS '000'	% On the budget
	Initial 2022/23 TZS '000'	Realloc a tion/Ad 2022/2 TZS	Final Projection 2022/23 TZS '000'			
	Revenue	28,904,217	-			
TOTAL INCOME	28,904,217	-	28,904,217	29,723,313	819,097	103%
Transfers to Consolidated fund 15%	4,257,736	-	4,257,736	4,377,8564	-120,120	103%
Transfer to Government				10,000,000	(10,000,000)	

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Wages, salaries and employee	8,873,676	(104,000)	8,769,676	5,895,574	2,874,102	67%
Supplies and consumables used	10,892,048		10,892,048	6,355,826	4536,222	58%
Routine repair and maintenance expenses	299,500	192,500	492,000	462,005	29,995	94%
Other Expenses Deposit International Contribution				7,199	(7,199)	
International Contribution Other payments				7,579	(7,579)	
Other payments	615,000		615,000	584,307	30,693	95%
Acquisition of Asset	3,966,256	-88,500	3,877,757	1,254,777	2,622,980	32%
TOTAL EXPENSES	28,904,217	-	28,904,217	28,945,123	(40,905)	100%

2.6. Risk Management

Risk management is the process of making and implementing decisions that will minimize adverse effects on the operations of government entities. Risk management processes involve, identifying and analysing exposures to loss, examining feasible alternative risk management techniques to handle exposures, selecting the most appropriate risk management techniques to handle exposures, implementing the chosen techniques, and monitoring the results.

The Agency has developed the risk management framework which will be used to monitor, assess and report on the risk indicators and propose solutions for the same. The framework has been reviewed to be in line with the ongoing Strategic Plan.

2.7. Related Party Transactions

Related parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

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Disclosure requirement of key management personnel:

Basic salaries	TZS	383,605,254.00
Post Employee Benefits	TZS	<u>69,173,702.00</u>
TOTAL	TZS	<u>752,778,96.00</u>

2.8. Employees Welfare

2.8.1. Employment Policy

The Agency aspires to create an inspiring and personally elevating experience for its employees. Consequently, BRELA accepts a shared responsibility for the development of each employee to his/her full potential. Career progress is based on the individual initiative towards the fulfilment of their responsibilities. This encompasses individual commitment towards innovative thinking and professional expertise resulting to reward/promotion. The Agency is convinced that equal opportunities for all, irrespective of gender, disability or religion, should be pursued. Recruitment and appointment of Agency's staff is done through the Public Service Recruitment Secretariat.

2.8.2. Management/Employees Relationship

For the period under review, the Agency maintained harmonious labour relations. Employees were involved in major decisions affecting them through departmental meetings, Staff meetings, internal communication and bi-annual Workers Council meetings. There are well established procedures, including regular meetings with Trade union (TUGHE) to ensure that the views of employees are considered in various key decisions.

2.8.3. Medical Assistance

All BRELA permanent staff are insured through National Health Insurance Fund (NHIF), in cases where the scheme does not cover particular treatments needed, the Agency meets such costs.

2.8.4. HIV/AIDS Policy

BRELA adheres to the Public Service Policy on HIV/AIDS which demands that staff living with HIV/AIDS be assisted accordingly. So far, no staff has declared their HIV/AIDS status despite awareness and Voluntary Counselling and Testing (VCT) sessions conducted.

2.9. Gender Parity

During the year ended 30 June 2023, the Agency had 140 permanent employees out of whom, 57 were females and 83 were males. 6 of the permanent staff were attached to the Agency temporarily from the Ministry of Industry and Trade

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and Other institutions to cover for various gaps. Furthermore, the Agency had 52 temporary employees hired to clear backlog in key assignments, 31 of whom were temporary contract staff and 21 volunteers from TAESA.

2.10. Auditors

The Controller and Auditor General (CAG) is the Statutory Auditor of BRELA by virtue of Article 143 of the Constitution of the United Republic of Tanzania as amplified under section 30 (1) C of the Public Finance Act (PFA) No 6 of 2001 (revised 2004), Section 9-12 of the Public Audit Act, Cap 2008 and Section No. 14 (2) of the Executive Agencies Act No. 30 of 1997.

2.11. Going Concern

Having considered the Agency's financial position and financial projections, the Financial Statements for BRELA have been prepared under the assumption that the Agency has neither the intention nor the need to liquidate or curtail materially the scales of its operations. If such an intention or need arises, the financial statement have to be prepared on a different basis and if so, the basis used has disclosed a reasonable expectation that BRELA has adequate resources to continue its operations for the foreseeable future.

2.12. Some of planned objectives for future development are as follows: -

- (i) To register 15,000 Companies, 28,000 Business Names, 4,200 Trade and Service Marks, 40 Patents and 44 Industrial Certificates;
- (ii) To issue 14,000 group 'A' Business licences and 210 Industrial licences;
- (iii) To continue educating the public on compliance to registration requirement through the Agency and provide education on changes in the law and regulations;

BRELA will continue to carry out public outreach programs through seminars, workshops and publication through different media channels. Also, the Agency will participate in various exhibition events organized by the Government and other Institutions to showcase its services while offering the registrations and licensing services onsite.

(i) To conduct 18 educational inspections of Business and Industrial Licences

BRELA will conduct educative inspection programs to businesses to create awareness and ensure that all businesses in the country are conducted in accordance with the laid down Laws and procedures.

(ii) To continue improving and strengthening IT systems and structures for

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improving service delivery;

BRELA uses the Online Registrations System (ORS) and Tanzania National Business Portal (TNBP) in providing services to customers, where the systems have been improved to be more user friendly. The system will be further improved

(iii) To complete the review of various registration and licensing laws;

BRELA will continue to review Companies Act Cap 212, Business Names (Registration) Act Cap 213 [R. E. 2002]; the Patents (Registration) Act Cap 217 (R.E.2002); the Trade and Service Marks Act Cap 326 (R. E. 2002); National Industries (Licensing and Registration) Act Cap 46(R. E. 2002) and Business Licensing Act of 1972 with the aim of simplifying and harmonizing Business Registrations and Licensing services, being in line with the current business requirement and creating conducive business environment for starting and doing business in Tanzania.

(iv) To continue improving work environment, number of employees, provide training for employees and procure work tools with the aim of increasing productivity and efficiency in the provision of services;
The Agency will continue to create a conducive working environment to its staff and improve service delivery.

2.13. Projects under implementation during the year

2.13.1. Building Sustainable Anti-Corruption Plan in Tanzania

Since the inception of Building Sustainable Anti-Corruption Plan in Tanzania (BSAAT), the British High Commission (BHC) and the European Union (EU) have supported the Government of Tanzania (GOT) through Financial Aid. In early 2021, the United Kingdom (UK) changed its policy on Financial Aid, no longer permitting monies to be sent to GOT bank accounts. In response to this policy change, BSAAT's 2021 Annual Review recommended the programme design of an Alternative Delivery Model (ADM) to replace Financial Aid with a Technical Cooperation approach. Following UK approval of a BSAAT extension through to March 2025, granted in June 2021, ADM design was completed and has been adopted for the implementation of BSAAT programme for up to 4 years of extension. The proposed ADM has been co-designed by the BHC, EU and BSAAT Programme Delivery Team (PDT/BSAAT) between February and June, 2021 and has benefitted from internal UK/EU/GOT consultations and externally with Crown Agents Bank and WAJIBU Institute. BSAAT's overall goal has remained the same which is to reduce the level of corruption as a barrier to poverty reduction in Tanzania, Beneficiary Institutions (BIs) identify issues where corruption is an obstacle and recommend interventions to address those

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challenges through implementing set of agreed activities with the agreed Key Performance Indicators (KPIs) that guide the implementation since 2022.

BRELA continued to implement BSAAT project during the year ended June 2023. For the financial year 2022/2023 BSAAT project approved budget was TZS. 400,000,000.00 and the actual expenditure was TZS 224,511,915.44.

Following activities were implemented during the period under review;

- (i) The Agency conducted sensitization workshops on Beneficial Ownership (BO) concept to create awareness on BO to stakeholders from the private sector in the cities of Dodoma, Arusha, Mwanza as well as to News Editors and the Bankers Association in Dar es Salaam.
- (ii) Conducted a meeting with investigation authorities on BO matters so as to enhance referrals and utilization of BO information (PCCB, FIU, DCEA, DCI, Immigration, Good Governance, TRA and NPS) in the cities of Dodoma, Arusha, Mwanza and Mbeya.
- (iii) Developed the Business names BO window for collecting and processing BO information from business names owned by partners.
- (iv) Beneficial Ownership Handbooks were developed to assist business owners on BO issues.
- (v) Conducted a study tour at the Office of the Registrar of Companies - Ghana Registry to learn on matters concerning implementation of BO declaration and disclosures.
- (vi) Four (4) M&E meetings and Steering committees were attended, BSAAT budget and action plan for the year 2023/24 was prepared and submitted to relevant authorities, Result Framework was developed with KPIs.

2.14. STATEMENT OF COMPLIANCE

The Members of the MAB Report is prepared in line with the Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) as issued by the National Board of Accountants and Auditors (NBAA). The financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB).

SIGNATURE: 

NAME: Prof. Neema Mori

DESIGNATION: CHAIRPERSON

SIGNATURE: 

Godfrey Nyaisa

CHIEF EXECUTIVE OFFICER

DATE:

05/03/2024

05/03/2024

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

STATEMENT OF MEMBERS RESPONSIBILITY

The Members of the Ministerial Advisory Board (MAB) accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements (the Statement of Financial Position as at 30 June 2023, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts for the year ended 30 June 2023 and the Notes to the Financial Statements which include a summary of significant accounting policies and other explanatory notes). The Members of the MAB understand that system of internal control of BRELA is effective to provide reasonable, but not absolute, assurance that the transactions recorded in the books of accounts, which were used to prepare these financial statements, are free from material misstatements.

The Members of the MAB further accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Public Sector Accounting Standards (IPSAS), Section 25(4) of Public Finance Act, 2001 as Revised 2004 and NBAA's Pronouncements. The Members of MAB are of the opinion that the financial statements give a true and fair view of state of the financial affairs of BRELA and of its operating results for the year ended 30 June 2023.

Nothing has come to the attention of the Members of MAB to indicate that the Government of the United Republic of Tanzania shall wind-up the operations of BRELA, thus, not to remain a going concern for at least the next twelve months from the date of this Statement.

This Statement was approved and authorized for issue by the Members of MAB on 31 August 2023 and signed on their behalf by:

SIGNATURE:

Prof. Neema Mori
.....

NAME:

Prof. Neema Mori

DESIGNATION:

CHAIRPERSON

Godfrey Nyaisa
.....

Godfrey Nyaisa

CHIEF EXECUTIVE OFFICER

DATE:

05/03/2024
.....

05/03/2024
.....

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

DECLARATION OF THE HEAD OF FINANCE.

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 Accounting Officer and Management 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 Accounting Officer and the management of the Agency.

I, **Fatuma A. Mwenkalle** being the Head of Finance/Accounting of Ministry of Industry and Trade 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 Business Registrations and Licensing Agency (BRELA) as on that date and that they have been prepared based on properly maintained financial records.

Signature.....

Name: ACPA. Fatuma A. Mwenkalle

Position: Ag. CHIEF ACCOUNTANT

NBAA Membership No.: ACPA 4950

Date: 05/03/2024

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023

	Notes	2022/2023 TZS	2021/2022 TZS
ASSETS			
Current assets			
Cash and cash equivalents	9	20,834,781,575	20,056,590,876
Receivables	10	235,892,265	337,777,159
Prepayment	11	215,319,110	87,161,772
Inventories	12	103,503,716	38,762,509
Total Current assets		21,389,496,666	20,520,292,316
Non-current assets			
Property, plant and	15	17,142,198,676	4,697,792,217
Work in Progress	15	-	2,098,081,721
Intangible Assets	16	1,288,558,381	1,600,390,022
Total Non-current assets		18,430,757,057	8,396,263,960
TOTAL ASSETS		39,820,253,723	28,916,556,276
LIABILITIES			
Current liabilities			
Payables from Exchange	14A	257,811,518	774,384,256
Deposit General	14B	397,620,846	384,455,576
Total Liabilities		655,432,364	1,158,839,832
NET ASSETS		39,164,821,359	27,757,716,443
NET ASSETS/ EQUITY			
Taxpayers Fund		300,731,850	300,731,850
Accumulated surplus		38,864,089,509	27,456,984,593
TOTAL NET ASSETS/EQUITY		39,164,821,359	27,757,716,443

CHAIRPERSON *Amow* CHIEF EXECUTIVE OFFICER 

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2023

Revenue	Notes	2022/2023 TZS	2021/2022 TZS
Revenue from exchange transactions	2	29,094,883,303	26,001,833,159
Revenue from non-exchange transactions	1A	528,545,096	700,844,263
Government Grant non-monetary	1B	10,740,918,279	-
Gain on foreign exchange transaction	4	-	243,040
Total revenue		40,364,346,678	26,702,920,462
Expenses			
Transfers to Consolidated fund 15%	8	4,377,855,564	4,218,159,872
Transfer to Government	20	10,000,000,000	3,640,625,145
Wages, salaries and employee benefits	5	5,919,619,514	4,388,141,534
Supplies and consumables used	6A	6,009,782,587	4,742,589,858
Other expenses	6B	322,388,200	603,550,317
International Contribution	6D	7,578,743	-
Routine repair and maintenance expenses	7	462,005,414	487,355,403
Depreciation and amortization	3	1,858,011,741	918,354,665
Total expenses		28,957,241,762	18,998,776,796
Surplus during the year		11,407,104,915	7,704,143,666

CHAIRPERSON



CHIEF EXECUTIVE OFFICER



**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

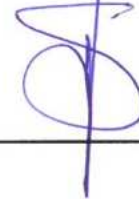
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2023

	Taxpayers Fund TZS	Accumulated surplus TZS	TOTAL TZS
At 01 July 2022	300,731,850	27,456,984,593	27,757,716,443
Surplus for the year	-	11,407,104,915	11,407,104,915
At 30 June 2023	300,731,850	38,864,089,508	39,164,821,359
At 01 July 2021	300,731,850	19,752,840,927	20,053,572,777
Surplus for the year	-	7,704,143,666	7,704,143,666
At 30 June 2022	300,731,850	19,752,840,927	27,757,716,443

CHAIRPERSON

Amow

CHIEF EXECUTIVE OFFICER



**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2023

	Note	2022/2023 TZS	2021/2022 TZS
Cash flows from operating activities			
Receipts			
Revenue from exchange transactions	17	29,194,768,197	26,676,403,115
Revenue from non-exchange transactions	1A	528,545,096	700,844,263
Total receipts		29,723,313,293	27,377,247,378
Payments			
Transfers to Consolidated fund 15%	8	4,377,855,564	4,218,159,872
Wages, salaries and employee benefits	21	5,895,573,996	4,393,141,534
Supplies and consumables used	18	6,355,826,325	4,308,752,688
Routine repair and maintenance expenses	7	462,005,414	487,355,403
Other Expenses Deposit	6C	7,198,777	339,976,672
International Contribution	6D	7,578,743	-
Other expenses	22	584,307,090	603,550,318
Transfer to Government	20	10,000,000,000	3,640,625,145
Total payments		27,690,345,908	17,991,561,632
Net cash from operating activities		2,032,967,385	9,385,685,745
Cash flow from investing activities			
Acquisition of property, plant, and equipment & investment properties	19	(1,254,776,686)	(1,120,834,622)
Net cash from investing activities		(1,254,776,686)	(1,120,834,622)
Cash flows from financing activities			
Net cash used in financing activities		-	-
Cash payments for other financial liabilities		-	-
Net increase in cash and cash equivalents		778,190,699	8,264,851,122
Cash and cash equivalents at beginning of period		20,056,590,876	11,791,739,754
Cash and cash equivalents at the end of period		20,834,781,575	20,056,590,876

CHAIRPERSON



CHIEF EXECUTIVE OFFICER



**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

**RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES FOR
THE YEAR ENDED 30 JUNE 2023**

Description	2022/2023	2021/2022
Net Surplus from Ordinary Activity	11,407,104,915	7,704,143,666
Add/(Less) Non-Cash Items: Depreciation	1,546,180,000	606,523,025
Amortization	311,831,641	311,831,641
Increase/Decrease in Payable	(503,407,468)	195,525,349
Increase in Prepayment	(24,967,212)	59,515,087
(Increase)/Decrease in Grant	(10,740,918,279)	(166,254,120)
Increase/Decrease in Consumable Stock	(64,741,207)	(5,168,859)
Increase/Decrease in Receivables from Exchange	101,884,894	679,569,956
Net cash from operating activities	2,032,967,385	9,385,685,745

THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT-BY NATURE FOR THE YEAR
ENDED 30TH JUNE 2023

Budget approved on the Cash Basis

	Original Budget {A}	Reallocation/ Adjustments	Final Budget	Actual Amount on Cash Basis	Difference: Final Budget Vs Actual
	TZS	TZS	TZS	TZS	TZS
Revenue					
Revenue from exchange transactions	23,176,677,240	-	23,176,677,240	29,194,768,197	(6,018,090,95)
Revenue from non-exchange transactions	5,727,540,000	-	5,727,540,000	528,545,096	5,198,994,904
	28,904,217,240	-	28,904,217,240	29,723,313,293	(819,09,053)
Expenses					
Transfers to Consolidated fund 15%	4,257,735,989		4,257,735,989	4,377,855,564	(120,119,575)
Other payments - Transfer to Treasury PMG				10,000,000,000	(10,000,000,000)
Wages, salaries and employee benefits	8,873,676,309	(104,000,000)	8,769,676,309	5,895,573,996	2,874,102,313
Supplies and consumables used	10,892,048,095	-	10,892,048,095	6,355,826,325	4,536,221,770
Routine repair and maintenance expenses	299,500,000	192,500,000	492,000,000	462,005,414	29,994,586
Other Expenses Deposit				7,198,777	(7,198,777)
International Contribution				7,578,743	(7,578,743)
Other payments	615,000,000		615,000,000	584,307,090	30,692,910
Acquisition of Asset	3,966,256,847	(88,500,000)	3,877,756,847	1,254,776,686	2,622,980,161
	28,904,217,240	-	28,904,217,240	28,945,122,594	(40,905,354)
Net Receipts	-	-	-	778,190,699	(778,190,699)

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

General information and accounting policies

ESTABLISHMENT OF BUSINESS REGISTRATIONS AND LICENSING AGENCY (BRELA)

BRELA was established under the Government Executive Agency Act No. 30 of 1997 and it was formally launched on the 3 December 1999. Contact and office location is at BRELA Building, Plot No. 20 House No 23, Sokoine Street/ Shaban Robert/, P. O. Box 9393, Dar es Salaam, Tanzania.

STATEMENT OF COMPLIANCE AND BASIS OF PREPATATION

The Financial statements have been prepared in accordance with International Public sector Accounting Standards on accrual basis and complies with Public Finance Act of 2001 (revised -2004). The financial statement has been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period. The financial statements are presented in Tanzanian Shillings (TZS) and all values are rounded to the nearest Shilling, unless separately identified. The financial statements comprise of the followings:

- i. A Statement of Financial Performance;
- ii. A Statement of Financial Position;
- iii. A Statement of Change in Net Asset;
- iv. A Cash flow Statement;
- v. A Comparison of Budget and Actual Amounts;
- vi. Notes to the financial statements comprising a summary of significant accounting policies and other explanatory notes.

SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalent

Cash and cash equivalents comprise of cash on hand and cash at bank, deposits and highly liquid investments with an original maturity of six months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Function and presentation currency

Items included in the financial statements of the Government are measured using the currency of the primary economic environment in which the Government operates ("the functional currency"). The financial statements are presented in Tanzanian Shillings (TZS), which is the Government's functional and presentation currency.

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

Foreign currency translation

Transactions in foreign currencies are translated to Tanzania Shillings at the rate of exchange prevailing at the date of the transactions.

Currency	30 June 2023	30 June 2022
United States Dollar (USD)	2,315.94	2,292.73

Transactions and balances

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

Revenue recognition

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets/equity, other than increases relating to contributions from owners.

Revenue is recognized when it is probable that the economic benefit associated with the transaction will flow to the Agency and the amount of the revenue can be measured reliably.

Revenue from Exchange Transactions

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fees Revenue

Legal fees are recognized when service is rendered to customers basing on specific assessments done by experience personnel under the following category of services: -

- i. Registration of Companies both local and foreign
- ii. Registration of Business Names
- iii. Registration of Trade and Service Marks
- iv. Granting of patents
- v. Issuance of Industrial Licences
- vi. Issuance of Group 'A' Business Licences

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

Revenue from non-exchange transactions (IPSAS 23)

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange. Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets/equity, other than increases relating to contributions from owners.

a) Penalties and late fees

The Agency recognizes revenues from late fees and penalties when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. 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.

b) Transfers from other Institutions

Revenue from non-exchange transactions with other international entities 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 Agency and can be measured reliably.

Receivable from exchange transactions

Receivables from exchange transaction are recognized initially at fair value and subsequently measured at amortized cost using the effective interest less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that BRELA will not be able to collect all amount dues according to the original terms of the receivables.

Inventory

Inventories comprise of stationery and other consumables and are stated at the lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

Property, Plant and Equipment

Property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of any replacement parts in accordance with the related recognition criteria.

Depreciation

BRELA has adopted straight line method of depreciation of Public Assets which is allocated systematically over the useful life of the respective assets as issued in Public Asset Management Guideline, Revised Edition 2019 and the accounting policies applicable. The depreciable amount of an asset shall be allocated on a systematic basis over its estimated useful life. The prevailing International Standard for depreciation shall be applied over the useful life of the assets. In accordance with the Generally Acceptable Valuation Principles (GAVP), depreciation for valuation purposes shall be the adjustment made to the replacement cost to reflect physical deterioration, functional and economic obsolescence.

Estimated Useful Life (EUL)

Assets ran an economic life peculiar to themselves depending on make, constant handling and operational use. Some assets are continued in use much beyond the EUL due to periodical maintenance and repairs.

Assets expected life are projected in ranges as follows:

Assets	Useful life
Motor vehicles (light duty below 5 tons)	5 years
Computer (Desktops and Laptops)	4 years
Office Equipment	5 years
Office Furniture	5 years
Servers	7 years
Building	40 years
Cameras	7 years
Land	-

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

Intangible Assets

Intangible assets consist of software licences and website and LAN costs. An intangible asset is recognized when it is identifiable, the agency has control over the asset, it is probable that economic benefits will flow to the Agency, and the cost of the asset can be measured reliably. Intangible assets that do not meet these criteria are recognized as an expense in the period in which the expense is incurred.

Intangible assets are carried at cost, and amortized on a straight-line basis over the estimated useful lives of the assets.

Estimated useful live are as follows:	Years	%
Software	10 years	10%
BRELA website	10 years	10%
LAN	10 years	10%

Payable and other Accruals

In order for a liability to be recognized in the financial statements, it must meet the following definition provided below:

A liability is a present obligation of the Agency arising from past events, the settlement of which is expected to result in an outflow from the Agency of resources embodying economic benefits. Invoice or commitment (LPO) has to be in place for all payables recognized in the financial statements.

Payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Tax Players' Funds

Comprises of the initial net of cash and cash equivalent, intangible assets and liabilities contributed by the Government during the conversion of the Government department under the Ministry of Industry and Trade to the Non-executive Government Agency 'BRELA' on 3rd December, 1999.

Employees Benefits/Pension Obligations

The Agency has defined contribution plans as retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a pension fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

The employees of the Agency are members of the Public Service Social Security Fund of which the contribution is 15 % of employee's basic salary contributed by the employer and 5% of employee's salary deducted from their salaries.

Operating lease (IPSAS 13)

The Agency has entered into the lease agreement in which a significant portion of the risks and rewards of ownership are retained by the Lessor. Payments made under operating leases such as rentals are charged to the statement of financial performance on straight-line basis over the period of the leases. BRELA does not have any finance leases.

Risk Management

BRELA is subjected to a number of Financial and operational risks, hazards and strategic risk and it is responsible for ensuring appropriate risk management strategies and policies are in place.

All types of risks associated with BRELA activities and operations are managed through the office Risk management Framework:

- i. Foreign currency risks
- ii. Liquidity risks

I. Foreign currency Risks

Foreign currency risk is when the value of a financial instrument fluctuates because of changes in foreign exchange rates. BRELA's operations utilize various foreign currencies and consequently, are exposed to change rate fluctuations that have an impact on cash flows and financing activities. BRELA manages its bank accounts in CRDB plc, NBC and NMB plc banks in which the official currency is Tanzanian Shillings. BRELA's exposure to the risk of changes in foreign exchange rates relates primarily to the Agency's operating activities (when using USD \$ currency to meet some foreign obligation transactions).

II. Liquidity Risk

Liquidity risk when an entity encounters difficulties in raising fund to meet obligations associated with financial instruments. The Agency manages its liquidity risk to ensure it is able to meet estimated expenditure requirements. This is achieved through prudent liquidity risk management which includes maintaining client's cash and cash equivalent. Agency main sources of income are from the non-taxable collection of legal registration fee, and post registration fees. The Agency has to strive to expand the revenue base in order to mitigate the liquidity risk.

Provisions, Contingent Liabilities and Contingent Assets (IPSAS 19)

An entity which prepares and presents financial statements under the accrual basis of accounting should apply this Standard in accounting for provisions, contingent liabilities and contingent assets.

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BUSINESS REGISTRATIONS AND LICENSING AGENCY**

The Agency recognize a provision only when a past event has created a present legal or constructive obligation, an outflow of resources embodying economic benefits or service potential required to settle the obligation is probable and the amount of the obligation can be estimated reliably.

Contingent liability arises when there is a possible obligation to be confirmed by a future event that is outside the control of the entity. A present obligation may, but probably will not, require an outflow of resources embodying economic benefits or service.

Contingent asset arises when the inflow of economic benefits or service potential is probable, but not virtually certain, and occurrence depends on an event outside the control of the entity.

There were no Provision made for Audit fee for the current year 2022/2023.

Related Party Disclosure

In line with IPAS 20, Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. They include relationship with subsidiaries, associates, joint ventures and key Management personnel. Key management personnel include Ministerial Board Members, the Chief Executive Officer Directors and the Head of units.

Events after the Reporting date

There were no events after the reporting date which requires adjustment or disclosure in the financial statement.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023
(continued)**

	2022/2023	2021/2022
1A REVENUE FROM NON -EXCHANGE TRANSACTION		
Fines	528,545,096	700,844,263
Total	528,545,096	700,844,263
1B Government Grant non-monetary	10,740,918,279	-
Total	10,740,918,279	-
2 REVENUE FROM EXCHANGE		
Advertising Fees	61,215,000	70,560,000
Amendment Fees	140,842,500	165,251,500
Annual Maintenance Fees	5,220,000	249,610,000
Application Fees	748,137,044	1,134,778,785
Certifying Fees	28,144,000	24,959,000
Cessation Fees	15,530,000	13,405,000
Change Fees	7,449,330,605	6,813,566,789
Copy of Certificate or Extract	-	200,000
Disclaimer Fees	86,380,000	88,720,000
Industrial Licenses Fees	196,300,000	115,410,000
Patents Registration Fees	230,640,000	196,965,000
Perusal Fees	6,833,000	9,258,500
Registration Fees	18,977,845,954	16,189,300,585
Search Fees	997,955,000	800,035,000
Stamp duty other than sales of Revenue Stamp	150,510,200	129,813,000
Total	29,094,883,303	26,001,833,159
3 DEPRECIATION AND AMORTIZATION		
Amortization Intangible Asset	(A) 311,831,641	311,831,641
Motor vehicles	209,131,050	219,478,816
Furniture & fittings	142,695,296	135,532,893
Generator	10,347,766	-
Lift and Crane	5,324,448	-
Computer, Printer and Scanners	348,792,701	164,258,750
Office Equipment	10,224,689	87,252,565
	(B) 726,515,950	606,523,025

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

	Impairments	(C)	819,664,150	-
	Total (A+B+C)		<u>1,858,011,741</u>	<u>918,354,665</u>
4	GAIN ON FOREIGN CURRENCY TRANSACTION			
	Foreign exchange gain		-	243,040
			-	243,040
5	WAGES, SALARIES AND EMPLOYEE BENEFITS			
	Honoraria		152,700,000	42,770,000
	Acting Allowance Bonus		6,340,000	-
	Civil Servant		2,368,023,895	2,351,401,770
	Extra Duty allowances		440,960,000	384,281,000
	Housing Allowance		514,188,438	366,130,593
	Medical and Dental Refunds		2,341,000	12,967,698
	Moving Expenses		49,080,330	-
	Outfit Allowance		4,000,000	3,300,000
	Direct Labour		232,700,000	-
	Travelling on Leave		243,257,827	213,743,492
	Court Attire Allowance		9,000,000	-
	Facilitation Allowance		20,000	-
	Electricity Allowance		34,645,664	-
	Sitting Allowance		323,539,500	196,340,000
	Professional Allowance		1,720,000	-
	Telephone Allowance		26,729,058	13,007,235
	Furniture Allowance		45,475,000	16,000,000
	Statutory Contribution		1,464,868,802	788,199,746
	Total		5,919,619,514	4,388,141,534

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

6A SUPPLIES AND CONSUMABLES USED

Air Travel Tickets	207,425,239	14,616,000
Satellite access service	3,476,000	-
Audit Expenses		
Bank Charges		
Books, Reference and Periodicals	-	-
Donations	85,235,440	56,600,000
Exhibition, Festivals and Celebrations	71,884,348	25,898,000
Ground travel (bus, railway taxi, etc)	-	-
Local Staff Salaries	-	-
Mobile Charges	250,000	11,409,000
Newspaper & Periodicals	8,301,591	8,151,200
Per Diem - Domestic	1,147,277,622	961,663,543
Per Diem - Foreign	184,127,307	195,522,199
Gift and Prizes	76,540,000	13,000,000
Seminars, Workshop & Conferences	135,426,160	70,327,110
Training Material	4,250,000	
Accommodation	34,112,025	8,349,000
Air Travel Tickets - Domestic	-	81,827,265
Computer Software - Expense	54,280,000	-
Computer Supplies and Accessories	27,559,035	99,299,706
Electricity & Water	108,152,206	132,836,688
Water Charges	7,110,634	6,369,193
Sewage Charges	475,000	400,000
Entertainment	27,199,388	32,243,170
Food and Refreshments	505,053,900	291,833,195
Fuel and Motor Vehicle Supplies	201,333,688	123,807,915
Ground Transport (Bus, Train, Water)	547,819,433	539,814,911
Internet and Email connections	542,507,927	351,967,872
Office Consumables (papers, pencils, pens and stationaries)	224,967,928	59,332,216
Office Rent Expenses	120,418,462	449,105,658
Out sourcing Cost (Security & Cleaning)	106,346,540	163,367,565
Printing & Binding	207,299,840	133,806,819

**THE UNITED REPUBLIC OF TANZANIA
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Public Awareness & Advertising	171,466,019	164,233,098
Software License Fees	118,000,000	209,860,891
Subscription Fees	80,180,000	125,786,153
Subscription to other International Institution	-	6,086,214
Sporting Supplies	10,537,260	-
Technical Service Fees	751,710,868	259,313,842
Research and Dissertation	7,500,000	
Telecommunication & Postage Expenses	8,616,310	11,468,061
Tuition Fees	95,883,816	84,390,000
Training Allowances	31,750,000	15,000,000
Uniforms and Ceremonial Dresses	95,308,600	34,903,380
Subtotal - A	6,009,782,587	4,742,589,858
6B OTHER EXPENSES		
Audit Expenses	151,466,000	36,525,000
Bank Charges	-	78,904
Burial Expenses	5,500,000	10,000,000
Consultancy Fees	14,912,000	427,139,614
Stamp duty	150,510,200	129,806,800
Subtotal - B	322,388,200	603,550,318
TOTAL A+B	6,338,439,530	5,346,140,176
6C Other Expenses Deposit	7,198,777	339,976,672
	7,198,777	339,976,672
6D International Contribution	7,578,743	-
7 ROUTINE REPAIR AND MAINTENANCE EXPENSES		
Motor Vehicles and Water Craft	76,456,767	49,128,869
Outsource maintenance contract services	187,567,883	395,352,307
Photocopiers	-	5,407,600
Spare Parts	14,846,154	11,711,453
Tyres and Batteries	28,231,702	1,966,210

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

Small Tools and Implements	-	1,249,140
Electrical and Other Cabling Materials	429,520	246,000
Plumbing Supplies and Fixtures	-	364,735
Metal Fence and Posts	-	400,000
Fax machines and other small office equipment	1,450,000	1,924,000
Computer, Printers, Scanners, and Other Computer	153,023,389	19,605,090
Total	462,005,414	487,355,403
8 Transfers to Consolidated Fund 15%		
15% Transfer to Consolidated fund	4,377,855,564	4,218,159,872
Total	4,377,855,564	4,218,159,872
9 CASH AND CASH EQUIVALENTS		
BOT - Revenue Account	7,524,515,239	6,811,612,264
BOT- USD Account	11,618,644,485	11,878,497,148
Expenditure Account	1,451,104,786	959,915,460
NMB- Revenue Account	65,000	362,000
NMB- revenue USD Account	-	-
CRDB-TZS- Main Collection	112,990,600	1,062,800
USD Commercial Account	65,008,453	273,981
NBC REVENUE TZS ACCOUNT	130,600	47,600
IMPREST CASH ACCOUNT	61,066	-
DEPOSIT GENERAL CASH ACCOUNT	62,261,347	404,819,623
Total	20,834,781,575	20,056,590,876
10 RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Accrued Revenue	205,724,070	305,608,964
Imprest control	30,168,195	32,168,195
Staff Loan Control Account	-	-
Total	235,892,265	337,777,159
11 PREPAYMENTS		
Advance for Work in Progress	135,937,300	32,747,174
Prepayment	79,381,810	54,414,598
Total	215,319,110	87,161,772
12 INVENTORIES		
Consumable Stock	103,503,716	38,762,509
Total	103,503,716	38,762,509
13 DEFERRED INCOME		
Opening Balance	-	166,254,120
ADD: Receipt during the year	-	-
Less Amortized	-	166,254,120
		(166,254,120)

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

Differed Income		-
14A PAYABLES FROM EXCHANGE TRANSACTIONS		
Other Creditors	37,807,005	299,725,894
Supplies of goods and Services	194,848,966	453,486,723
Withholding tax	1,048,964	807,592
Unapplied Deposit	-	20,364,047
Staff Claims	24,045,518	-
Imprest payable	61,066	-
Total	257,811,518	774,384,256
14B Deposit general	397,620,846	384,455,576
Total	397,620,846	384,455,576
17 REVENUE FROM EXCHANGE TRANSACTIONS		
Revenue earned during the year	29,094,883,303	26,001,833,159
Accrued Revenue at 30/06/2023	(205,724,070)	980,178,920
Accrued Revenue at 01/07/2022	305,608,964	(305,608,964)
Total	29,194,768,197	26,676,403,115
18 CASH PAID TO SUPPLIERS		
Closing inventory	103,503,716	38,762,509
Opening payable	454,294,315	74,803,372
Closing Imprest	30,168,195	-
Closing Prepayment	79,381,810	54,414,598
Supplies and consumables used	6,009,782,587	4,742,589,858
A:	6,677,130,622	4,910,570,338
LESS		
Closing payable	195,897,930	454,294,315
Opening inventory	38,762,509	33,593,650
Opening Imprest	32,168,195	-
Closing Imprest payable	61,066	-
Opening prepayment	54,414,596	113,929,685
B:	321,304,298	638,985,845
TOTAL (A-B)	6,355,826,325	4,308,752,688
19 CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of Assets	(1,151,586,559)	(1,088,087,448)
Prepayment of Asset	(135,937,300)	(32,747,174)
Opening prepayment of assets	<u>32,747,174</u>	
Purchase of Asset	<u>(1,254,776,686)</u>	(1,120,834,622)
20 TRANSFER TO GOVERNMENT		
Transfer to PMG (excess Capital)	10,000,000,000	3,640,625,145

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

**21 CASH PAID TO WAGES, SALARIES
AND EMPLOYEE BENEFITS**

Wages, salaries and employee benefits		5,919,619,514	4,388,141,534
Opening imprest			37,168,195
	A:	5,951,787,709	4,425,309,729
LESS			
Closing imprest			32,168,195
Closing Staff claim		24,045,518	
	B:	24,045,518	32,168,195
TOTAL (A-B)		5,895,573,996	4,393,141,534

22 OTHER EXPENSES

Opening other payables		299,725,894	299,725,894
Other expenses		322,388,200	603,550,318
	A:	622,114,094	903,276,212
LESS			
Closing other payables		37,807,005	299,725,894
	B:	37,807,005	299,725,894
TOTAL (A-B)		584,307,090	603,550,318

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE, 2023

15

PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated depreciation and Accumulated impairment										Carrying value 30 June						
		01 July	Additions	Monetary	Adjustment	Revaluation	Disposal	Balance 30 June	Balance 01 July	Depreciation charge	Adjustment		Impairment charge	Disposal	Balance 30 June			
2023																		
Land	3,001,664,150	-	8,573,000,000	(911,664,150)	-	-	10,663,000,000	-	-	-	-	-	-	-	-	10,663,000,000	-	
Buildings	-	-	4,266,000,000	911,664,150	-	-	5,177,664,150	-	-	-	-	-	-	-	-	819,664,150	819,664,150	4,358,000,000
Motor vehicles	1,576,681,874	168,676,800	-	-	-	-	1,745,358,674	974,625,184	209,131,050	-	-	-	-	-	-	1,183,756,234	1,183,756,234	561,602,440
Generator	174,266,733	-	-	-	-	-	174,266,733	-	10,347,766	-	-	-	-	-	-	10,347,766	10,347,766	163,918,967
Lift and Crane	-	239,600,156	-	-	-	-	239,600,156	-	5,324,448	-	-	-	-	-	-	5,324,448	5,324,448	234,275,708
Furniture & fittings	1,065,703,554	51,646,434	-	-	-	-	1,117,349,988	808,623,738	142,695,296	-	-	-	-	-	-	951,319,034	951,319,034	166,030,954
Computer, Printer and Scanners	1,734,471,700	691,663,169	-	-	-	-	2,426,134,870	1,130,405,142	348,792,701	-	-	-	-	-	-	1,479,197,843	1,479,197,843	946,937,027
Office Equipment	115,901,632	-	-	-	-	-	115,901,632	57,243,363	10,224,689	-	-	-	-	-	-	67,468,052	67,468,052	48,433,580
Sub Total A	7,668,689,644	1,151,586,539	12,839,000,000	-	-	-	21,659,276,203	2,970,897,427	726,515,950	-	-	-	-	-	-	4,517,077,527	4,517,077,527	17,142,198,676
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	7,668,689,644.59	1,151,586,539	12,839,000,000	-	-	-	21,659,276,203	2,970,897,427	726,515,950	-	-	-	-	-	-	4,517,077,527	4,517,077,527	17,142,198,676
2022																		
Land	3,001,664,150	-	-	-	-	-	3,001,664,150	-	-	-	-	-	-	-	-	-	-	3,001,664,150
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor vehicles	1,321,360,377	255,321,497	-	-	-	-	1,576,681,874	755,146,367	219,478,816	-	-	-	-	-	-	974,625,184	974,625,184	602,056,690
Generator	-	174,266,733	-	-	-	-	174,266,733	-	-	-	-	-	-	-	-	-	-	174,266,733
Furniture & fittings	832,111,426	233,592,128	-	-	-	-	1,065,703,554	673,050,846	135,532,893	-	-	-	-	-	-	808,623,738	808,623,738	257,079,816
Computer, Printer and Scanners	1,305,594,611	424,907,090	-	-	-	-	1,734,471,700	878,893,825	251,511,316	-	-	-	-	-	-	1,130,405,142	1,130,405,142	604,066,559
Office equipments	115,901,632	-	-	-	-	-	115,901,632	57,243,363	-	-	-	-	-	-	-	57,243,363	57,243,363	58,658,269
Sub Total A	6,580,602,196	1,086,087,448	-	-	-	-	7,666,689,644	2,364,374,402	606,523,025	-	-	-	-	-	-	2,970,897,427	2,970,897,427	4,697,792,217
Work in progress	2,098,081,721	-	-	-	-	-	2,098,081,721	-	-	-	-	-	-	-	-	-	-	2,098,081,721
Sub Total B	2,098,081,721	-	-	-	-	-	2,098,081,721	-	-	-	-	-	-	-	-	-	-	2,098,081,721
	8,678,683,917	1,086,087,448	-	-	-	-	9,764,771,365	2,364,374,402	606,523,025	-	-	-	-	-	-	2,970,897,427	2,970,897,427	6,795,873,938

**THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY**

16 INTANGIBLE ASSETS

Cost	Balance		Accumulated Amortization and Amortization		Carrying value	
	01 July	30 June	01 July	30 June	30 June	30 June
Cost	Additions	Adjustment	Balance	Amortization charge	Adjustment	Balance
2023						
Software	-	-	3,018,316,734	301,831,673	-	1,761,042,918
Lan	-	-	1,459,211,244	301,831,673	-	1,257,273,816
Connectivity	-	-	92,799,673	9,279,967	-	64,477,907
Website	-	-	7,200,000	720,000	-	28,321,766
			3,517,202	4,237,202		2,962,798
3,118,316,407	-	-	3,118,316,407	311,831,641	1,829,758,026	1,288,558,381
2022						
Software	-	-	3,018,316,734	301,831,673	-	1,459,211,244
Lan	-	-	1,157,379,571	301,831,673	-	1,559,105,490
Connectivity	-	-	92,799,673	9,279,967	-	55,197,939
Website	-	-	7,200,000	720,000	-	37,601,734
			2,797,202	720,000		3,682,798
3,118,316,407	-	-	3,118,316,407	311,831,641	1,517,926,386	1,600,390,022

Integrated Financial Management Information System