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ANNUAL REPORT 2022



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Acronyms

8NDP	Eighth National Development Plan
AFSEC	Africa Electrotechnical Standardization Commission
AGM	Annual General Meeting
ARSO	African Organization for Standardization
CAPEX	Capital Expenditure
CED	Chemicals and Engineering Division
CIDP	Cashew Infrastructure Development Project
CLSS	Certified Local Supplier Scheme
EMS	Environmental Management System
FAD	Food and Agriculture Division
FSMS	Food Safety Management System
GAP	Good Agricultural Practices
GFL	Good Food Logo
HACCP	Hazard Analysis Critical Control Point
ICT	Information and Communication Technology
IEC	International Electrotechnical Commission
ISO	International Organisation for Standardisation
MSMEs	Micro, Small and Medium Enterprises
NFNC	National Food and Nutrition Commission
NQI	National Quality Infrastructure
NSS	National Standardisation Strategy
OHSMS	Occupational Health and Safety Management System
SADCAS	Southern African Development Community Accreditation Services
SADCSTAN	SADC Cooperation in Standardization
SADCSTAN EXCO	SADC Cooperation in Standardization Executive Committee
SMC	Standards Management Committee
TBT	Technical Barriers to Trade
WFP	World Food Programme
ZABS	Zambia Bureau of Standards
ZATP	Zambia Agribusiness and Trade Project

Performance Overview

Standards

Cumulative Number of
Standards:
6,868

Developed **311**
standards



Training

SME Trainings Conducted:
45

Trainings to Industry:
27



Testing

Samples Tested:
9,080



Certification

Product Certification

Products
Certified: **181**

Cumulative
Products Certified: **654**



Management Systems Certification

Companies
Certified: **19**



Cumulative
Companies
Certified: **32**

Revenue Generated

ZMW 20,643,071



PART A

GENERAL INFORMATION

Foreword by the Permanent Secretary



I am pleased to present the 2022 Annual Report for the Zambia Bureau of Standards (ZABS). This report gives an overview of the institutions' performance as it continues to assert its strategic role in supporting Zambia's Socio-Economic Development through the provision of Standards and Quality Assurance services. These services promote trade, industrial development, public health and environmental safety.

The Government of the Republic of Zambia recently launched the Eighth National Development Plan (8NDP) under the theme "Social Economic Transformation for Improved Livelihoods." The 8NDP aims at facilitating trade and increased investment by the private sector for higher production, value addition, and diversification of goods and services. ZABS has a key role to play in implementing Government policies and strategies in the 8NDP, that are in line with its mandate in order to attain Governments' desired outcome for the manufacturing and service industry in the country.

In the Development Outcome No. 3: and Strategy 1 of the 8NDP, Government has committed to

strengthening the institutions under the National Quality Infrastructure so that Zambian products can compete favourably in the local and international markets. My ministry is delighted to note that through the support of cooperating partners such as the World Bank and African Development Bank through the Zambia Agribusiness and Trade Project (ZATP) and the Lobito Corridor Trade Facilitation Project respectively, ZABS has continued to receive technical assistance and capacity building which will enable the institution to serve the needs of industry better thereby achieving the development outcome of a competitive private sector as espoused in the 8NDP.

Below is an overview of the Bureaus' key performance achievements for 2022;

1. Development of Standards in line with the National Standardisation Strategy (NSS) 2020-2022.

ZABS finalized a total of 311 draft National Standards for publication. The NSS provides for the prioritization of the standards development based on stakeholder demand and market relevance. Some of the standards developed in 2022 covered sectors such as ICT, Manufacturing, Transport, and Energy among others.

2. Accreditation of Conformity Assessment services.

ZABS successfully maintained ISO 17025 accreditation for the testing laboratories covering 56 parameters with 33 test methods. On the other hand, ZABS managed to attain ISO 17021-1 and 17065 accreditation for the certification services covering food and construction products as well as Quality and Occupational Health and Safety Management Systems.

3. Enhanced support to Micro, Small and Medium Enterprises (MSMEs).

ZABS managed to conduct over 45 training sessions for MSMEs covering 625 participants in Northern, Copperbelt, Eastern, Western and Lusaka provinces. The MSMEs also received mentorship from the Bureau in the

implementation of prerequisite programmes on food safety towards certifications under the Certified Local Supplier Scheme (CLSS). 57 MSME products were certified in 2022 under the Scheme.

STRATEGIC DIRECTION FOR 2023

1. Decentralization of ZABS services

In the execution of our mandate as a ministry through various programmes and activities around the country, we have encountered many product innovations that must be supported and linked to the market. Without access to Standards and Conformity Assessment Services some of these products will not find their way onto the market. To address this, my ministry will ensure that ZABS services are more accessible through the establishment of regional offices on the Copperbelt and Southern Provinces of the Country.

2. Launch of the National Standardisation Strategy (NSS) 2023-2026

Following the development of a National Standardisation Strategy (NSS) in 2020, the document which provided a guide on what

standards to develop in line with the key priority sectors of our economy, the Bureau was able to develop 90% of the standards outlined with the other 10% earmarked for development as part of the 2023-2026 NSS. I am glad to report that the Strategy will be launched in the first half of 2023.

3. Completion of the construction of the Testing Laboratories Facility

A new testing laboratory facility is being constructed for ZABS supported by the World Bank through the Zambia Agribusiness and Trade Project. The US\$3.9 million project will enhance the Bureaus capacity to support industry through improved testing facilities. The laboratory will serve the nation in ensuring that products made locally are effectively tested and ready for local and international markets. The project is expected to be completed in December, 2023.

I therefore commend ZABS for the 2022 performance and wish to acknowledge the continued improvement efforts being made. I further wish to express my sincere gratitude to our cooperating partners for their continued support.



John A. Mulongoti
Permanent Secretary
MINISTRY OF COMMERCE, TRADE AND INDUSTRY

Executive Director's Overview



The year 2022 marked the start of a new chapter for ZABS following the development of the new 2022-2026 Strategic Plan. The development of the new Strategic Plan was necessitated by the expiry of the 2018-2021 Plan and by the need to set a new direction and establish key priorities in alignment with the Eight National Development Plan (8NDP) and the New Dawn Governments' aspirations for our economy.

During the development process, we spent a considerable amount of time reflecting on our previous performance as an institution and how we needed to multiply our efforts and put forward more innovative ways to support the growth and competitiveness of industry. I am confident that the strategies that have been put in place in the 2022-2026 Strategic Plan, will help the Bureau serve the needs of its stakeholders better while realizing the aspirations of Government for an improved participation of local products and services on the local and international markets.

Looking back on the performance for 2022, we achieved reasonable results in our efforts to support industry. During this period, a total of 9,080

product samples were tested against a target of 9,836 representing 92% achievement. The Bureau set its sights on certifying 100 SME products under the Certified Local Supplier Scheme and 200 products under the main product certification scheme. However, only 57 SME new products were certified representing 57% achievement and 181 new products under the main scheme representing 91%. The demand for Standards that respond to emerging products continued to grow throughout the year thereby increasing the Standards Development activities. A total of 311 standards were developed against a target of 320 representing 97.2% achievement. Other major achievements for the year include the following;

1. The Acquisition of Testing Laboratory equipment under the Lobito Corridor Trade Facilitation Project

The Ministry of Commerce Trade and Industry through the support of the African Development Bank has been implementing the Lobito Corridor Trade Facilitation Project through the National Quality Infrastructure Institutions and other Government Agencies. The Project whose objectives among others, is to facilitate the effective participation of Small and Medium Enterprises (SMEs) in value chains. This involves in part ensuring that their products and services comply with the quality requirements of the countries within the corridor. It is for this reason that through the Project, laboratory equipment was acquired for ZABS to be able to quality assure these products as they seek to be exported within the corridor. The equipment is valued at USD 500,000

2. Attainment of Accreditation for Certification Services

Three years ago, the Bureau began the journey towards accreditation of its certification services. This undertaking was envisaged to strengthen the integrity of the certification service and boost confidence in both product and management systems certification schemes. I am glad to report that the accreditation has been granted by the Southern African Development Community Accreditation Services (SADCAS) and covers the following;

a. Two systems certification schemes

- ISO 9001:2015 Quality Management Systems - Mining and Quarrying, concrete, cement lime, plaster, basic metals, fabricated metal products and engineering services and
- ISO 45001:2018 Occupational Health and Safety Management Systems - Base Metal Production, Mining and quarrying

b. Three product certification schemes

- Food Products, Beverages and Tobacco - Bottled water, Soft drinks, Energy drinks and wheat flour
- Chemicals, Chemical Products and Fibres - Detergents and Household care products
- Concrete, cement, lime, plasters - Cement

With this accreditation, our stakeholders are assured of the Bureaus' competence to deliver a consistently reliable and impartial service that meets the required internationally recognized standards.

its services. It is envisaged that this will contribute to the reduction of technical barriers to trade (TBTs) as the products tested and certified in Zambia will be accepted internationally under mutual recognition agreements and multilateral arrangements. Currently the laboratories are accredited in 33 test methods and 56 parameters while the certification services have been accredited in 5 scopes. The target for 2023 will be to accredit an additional 11 test methods for the laboratories and 3 additional scopes for certification services.

3. Enhance Stakeholder Engagement

One of the focus areas for 2023 will be to enhance stakeholder engagement. Stakeholders hold an important role and are key when it comes to driving the agenda of an institution. One of the findings during the strategic plan development was the low participation by stakeholders in standards development. The low participation impacted negatively on the standards development process. In this regard, the Bureau will develop a stakeholder engagement strategy that will give the institution direction on how to manage and meet the expectations of its stakeholders for improved participation and buy-in of the services offered.

FOCUS AREAS FOR 2023

Some of our key focus areas in the early life of the new strategic plan include the following:

1. Expansion of MSME Training and Certification

Support to Micro Small and Medium Enterprises (MSMEs) remains a key priority for ZABS in 2023. The Bureau will endeavor to design more activities to help MSMEs improve their processes and achieve greater efficiencies. One such key activity is the expansion of the MSME training and development of additional certification schemes.

2. Maintenance and extension of accreditation scopes for both the Testing Laboratories and the Certification Services.

ZABS will endeavor to enhance its global recognition through continued accreditation of

As I conclude, I pay special recognition to the staff who through their expertise, skills and diversity continue to contribute to the growth of the institution. I wish to also thank the Ministry of Commerce Trade and Industry for overseeing the operations of ZABS and for their support in ensuring that the Bureau delivers on its mandate.

Lastly but not the least, I recognize our cooperating partners, the Zambia Agribusiness and Trade Project (ZATP) and the Cashew Infrastructure Development Project (CIDP), the Lobito Trade Facilitation Project and others. To you we say thank you for the continued support in all aspects of the services we offer.



Nathan Sing'ambwa
ACTING EXECUTIVE DIRECTOR

ZABS Management Team



Nathan Sing'ambwa
Acting Executive Director
(MBA, FCCA, FZICA)



Belinda S. Kanchea
Standards Development and
Training Manager
(MSc, BSc BioChem)



Nteema Muzandu
Certification Manager
(BEng, MEIZ)



Andrew Chipongo
Laboratories Manager
(MSc, BSc Chem)



Alex Mubita
Finance Manager
(MBA, FCCA, FZICA)



Vincent Numbwa
Internal Audit Manager
(MBA, FCCA, FZICA,)

PART B

Strategic Overview

OUR MANDATE

The Zambia Bureau of Standards is a statutory body under the Ministry of Commerce, Trade and Industry established in 1982. It implements the Standards Act No. 4 of 2017 of the laws of Zambia which repealed the CAP 416 of 1994.

The Standards Act No. 4 of 2017 mandates ZABS to provide Standardization and Quality Assurance of products and services through the setting of national standards and the provision of conformity assessment services which are voluntary services.

The functions of the Bureau as provided in the Act among many others include

a) develop, publish, maintain or withdraw

Zambian National Standards and related normative publications serving the standardization needs in Zambia;

- b) provide inspection services, testing services and system and product certification;
- c) provide a voluntary certification mark scheme for the assurance of product conformity to standards;
- d) promote quality health and safety standards for commodities, products and services;
- e) facilitate efficiency in industry and promote trade through standardization

VISION

A globally recognized institution of excellence in promoting quality goods and services for improved lives

MISSION

Provide Standardization and Quality Assurance services for a competitive industry

CORE VALUES

TRANSPARENCY

We will act visibly and justifiably to promote participation and accountability

ACCOUNTABILITY

We shall be accountable to all our stakeholders for all our actions

CUSTOMER FOCUS

We will seek to add value to our customers and commit to tailor solutions towards meeting their needs

COLLABORATION

Through collaboration with strategic partners, we will multiply our contribution

INNOVATION

We will embrace new ideas and new technologies in order to serve our stakeholders better

INTEGRITY

We are honest, morally upright and conduct ourselves beyond reproach. We conduct our business in an objective manner adhering to the prescribed standards.

ZABS VALUE PROPOSITION

CAPABILITY

ZABS has attained accreditation of 5 certification scopes and has maintained its laboratory accreditation in 33 methods and 56 parameters to ISO 17025. This demonstrates competency, credibility and impartial testing services

COMPETENCE

ZABS has highly skilled and competent technical staff to manage the various demands and needs of industry

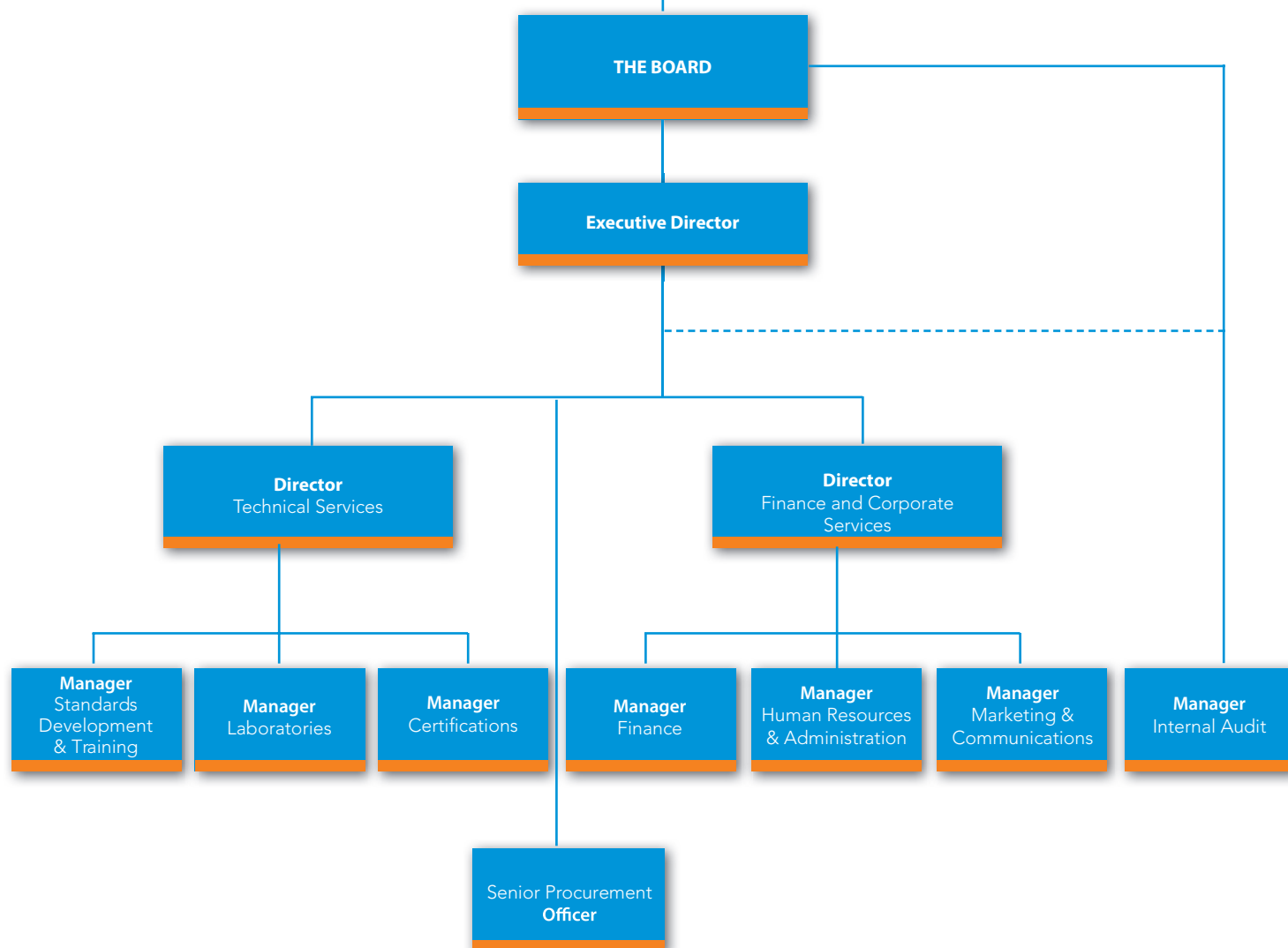
STRATEGIC PARTNERSHIPS

Built and maintained strategic partnerships within the region which are key in helping industry gain access to wider markets

ORGANIZATIONAL STRUCTURE



Ministry of Commerce, Trade and Industry



PART C

Performance Outlook

Standards Development and Training



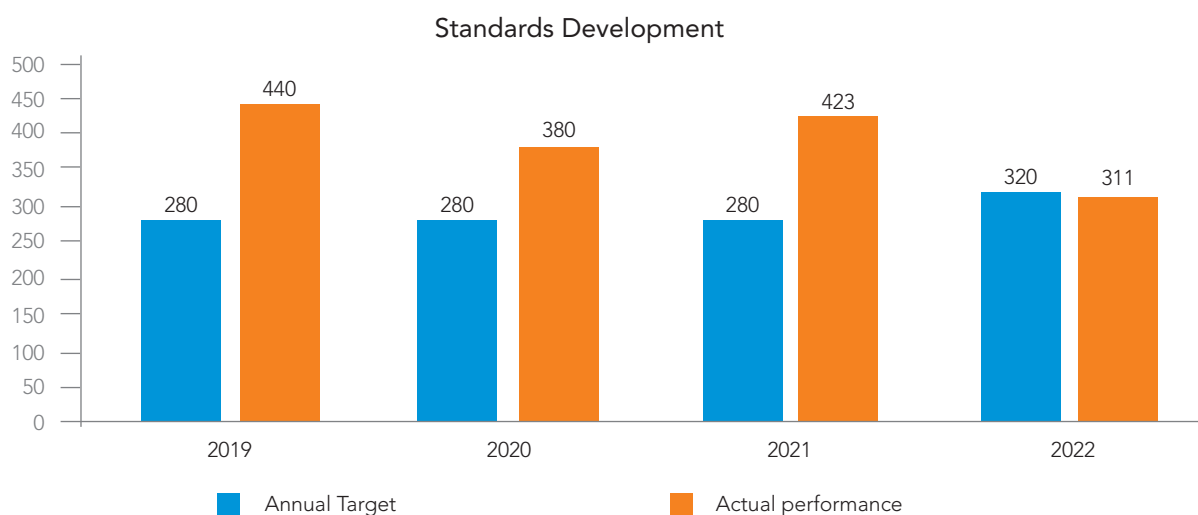
ZABS Standards Engage Project Team together with project team members from Ecuador, India, Rwanda and Moldova, pose for a photo during the ISO Standards Engage workshop in Geneva Switzerland.

The Zambia Bureau of Standards develops standards in various sectors including Food and Agriculture, Building and Construction, Information Communication Technology, Chemicals and Health, Electro-technical, Mechanical, Engineering and Metallurgy, Timber, and Timber products, among others. Zambian standards are developed to support industry manufacture quality and safe products that can compete effectively on

both the local and export markets.

During the year under review, a total of 940 standards projects advanced through various stages of standards development and 40 Technical Committee meetings were held. The cumulative number of standards published as at the year-end stood at 6,868.

Figure 1: Standards Development



Regional and International Standards Development Activities

ZABS participates in various Regional and International standards development/ harmonization activities under different technical committees. During the period under review, ZABS participated in a total of 126 international/regional standards development projects. The details are as shown in the table below:

Table 1: International/regional standards development projects

Standards Developments Organisations (SDOs)	Year-2022			Year-2021		
	Total	FAD	CED	Total	FAD	CED
AFSEC	18	-	18	18	-	18
ARSO	13	0	13	13	-	13
IEC	1	0	1	1	-	1
ISO	34	3	31	34	3	31
SADCSTAN	60	-	60	60	-	60
Total	126	3	123	126	3	123

ZABS also hosts the Secretariat for the Southern Africa Development Community Cooperation in Standardization (SADCSTAN), a structure responsible for co-ordination of harmonization of standards under the SADCSTAN secretariat, ZABS held 13 administrative meetings that included the Standards Management Committee (SMC), Executive Committee (ExCo), the Annual General Meeting (AGM) and Secretariat related meetings. Others include six technical committee meetings.

SADCSTAN Meetings

Table 2: SADCSTAN Meetings

Meeting	No of Meetings held in the year
SMC	2
ExCo	2
AGM	1
Secretariat	5
Technical Committees	3
Total meetings	13



ISO Technical Program Manager Ms. Monja Korter having interactive sessions with workshop participants during a 2 day training workshop on the Standards Development Process in Lusaka

Training to Industry

A total of 72 trainings out of a target of 50 were conducted in 2022 and these included 27 for large enterprises and 45 for Micro Small and Medium Enterprises (MSMEs). The training to Industry was based largely on Quality Management Systems (ISO 9001), Food Safety Management System (ISO 22000), Occupational Health and Safety Management System (ISO 45001), Good Agricultural Practices (GAP) and Good Manufacturing Practices (GMP). Refer to Table below

Table 3: Training Conducted

Training Conducted	2022	2021
Quality Management System (ISO 9001)	13	21
Food Safety Management System (ISO 22000)	5	5
Occupational Health and Safety Management Systems (ISO 45001)	4	2
Laboratory Management System (ISO 17025)	1	3
Good Manufacturing /Hygiene Practices	45	39
Hazard Analysis Critical Control Point (HACCP)	2	1
Others	2	1
Total	72	72



Senior Standards Development Officer Mwangelwa Matongo conducting a HACCP – Food Safety Training to officers from Solwezi Municipal Council at ZABS HQ

Certification



ZABS Certification team conducting audits at Big Tree Beverages plant in Lusaka

1.0 PRODUCT CERTIFICATION

1.1 Quality Mark Scheme

ZABS recorded an increase in the number of certified products in the country. This outcome will increase the uptake of local products on the local and international market. During the year under review, 181 products were certified under the Quality Mark Scheme against a target of 200. The cumulative total of certified products stood at 654 by the end of 2022.

1.2 Certified Local Supplier Scheme

The introduction of the certified Local supplier scheme has given an opportunity to start-up SMEs and Cooperatives to have a certification that would make it easy for them to enter the local market and have a competitive advantage over non-certified products. In 2022, a total of 57 SME products were certified against a target of 100. The cumulative total of certified products was 139 by the end of 2022.

1.3 Good Food Logo Scheme

This scheme was launched in September 2020 under the World Food Programme (WFP),

National Food and Nutrition Commission (NFNC) and the Ministry of Health. The scheme was introduced in order to promote healthy foods that alleviate non communicable diseases. There is a total of 34 products under this scheme. The section will endeavour in 2023 to certify additional companies.

2.0 MANAGEMENT SYSTEMS

2.1 Management System Certification Scheme

During the year under review 19 companies were certified on the Management Systems (MS) scheme against a target of 20 companies compared to 11 out of 15 in 2021. The certifications comprised Quality Management Systems (ISO 9001), integrated management systems (ISO 9001, ISO 14001 & ISO 45001), Food Safety Management System (ISO 22000) and Occupational Health and Safety management Systems (ISO 45001). The cumulative total of certified companies stood at 39 by the end of 2022.

2.2 Accreditation of certification services

During the year under review, the certification services attained accreditation from Southern

African Development Community Accreditation Service (SADCAS) in accordance with the recognized international standards ISO/IEC 17021-1:2015 and ISO/IEC 17065:2012. Two Management Systems schemes i.e. ISO 9001:2015 Quality Management Systems and ISO 45001:2018 Occupational Health and Safety Management Systems were accredited and three product certification.

KPI	Year 2022		Year 2021	
	Actual	Target	Actual	Target
Number of new companies certified	19	20	11	15
Number of new products certified	181	200	102	200
Number of new companies CLSS	25	50	19	30
Number of new products CLSS	57	100	57	60



Certification Auditors Mwila Kabunda and Paul Kasolo conducting audits of Red Diamond Meat processing plant

Testing Laboratories

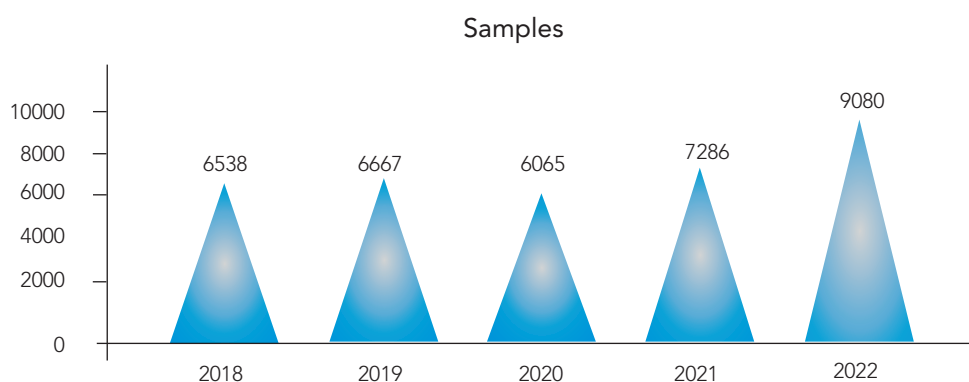


Laboratory Technician Limson Chirwa in the microbiology testing laboratory

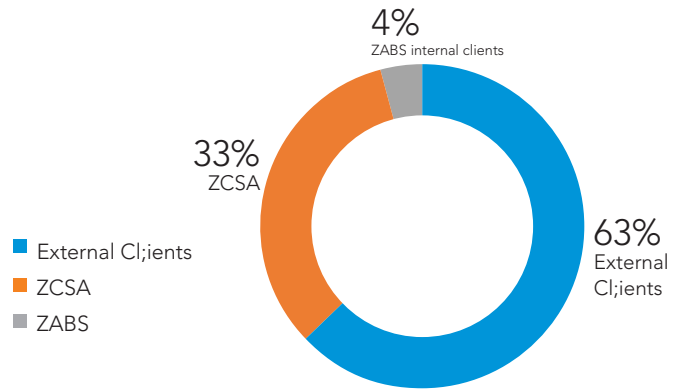
The laboratories tested a total of 9,080 samples during the year 2022 against a target of 9,836. The workload was 25% higher than 2021 which was at 7,286 samples tested. The turnaround time during the year 2022 was recorded at 13 days on average. Customer satisfaction rating for the quality of service provided by the Laboratory continued to be positive and averaged 98.84%. The products tested during the year under review included fruit flavored drinks, water, biscuits, soaps/detergents, peanut butter, cooking oils, clear/opaque beers,

stock feeds and fertilizers. Other products included jams, marmalades, condoms and gloves, packaging materials and textiles, petroleum products, paints/varnishes, maize meal, flour, miscellaneous food stuffs, chemicals, electrical/household appliances and miscellaneous Products.

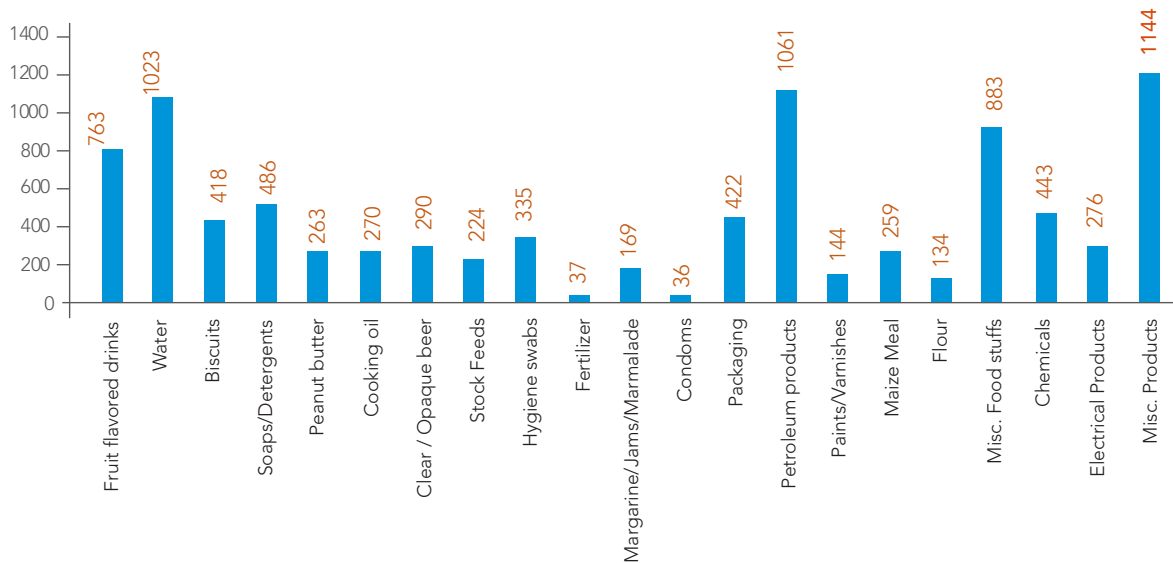
The graphs below indicate the trends in workload, distribution of the products tested for the year 2022 and the volumes of samples tested from 2018 to 2022 respectively.



The sample distribution received from different clients was follows. A total of 5,702 was received from external clients representing 63% while 2,990 samples representing 33% were from the Zambia Compulsory Standards Agency (ZCSA). The Certification and Standards Development section under ZABS who are internal clients contributed 388 samples representing 4%. Refer below:-



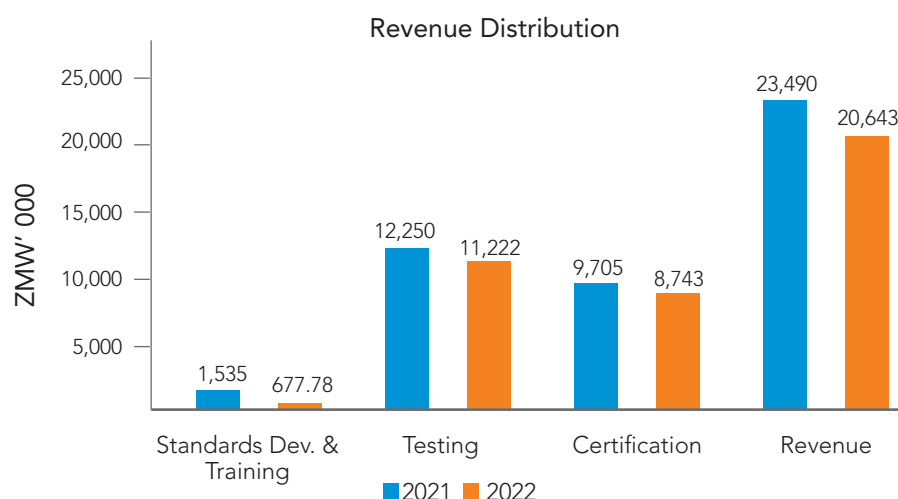
PRODUCT TESTED IN THE YEAR 2022



Director Domestic Trade from the Ministry of Commerce Trade and Industry Mrs. Margaret Chikuba being shown how the Portable Lighting Testing Equipment operates, during the handover of equipment meeting which was held at the Ministry of Energy offices.

Financial Review

This section provides an overview of the financial performance of ZABS in respect of the reporting period. During the period under review, ZABS generated ZMW 20.64 million in non-tax revenue which was deposited into the Government transit account. The revenue generated in 2022 was below the targeted amount of ZMW 33.24 million and below the 2021 actual revenues by 38.90% and 13.53% respectively. The chart below highlights the revenue generated through the sale of standards, provision of training, testing and certification services to industry.



The implementation of planned programmes under Strategic Objective No. 2 of the Strategic Plan has a major bearing on the financial performance of the institution. In 2023 and beyond, the Bureau will strive for improved performance by ensuring all planned programmes are implemented. This will be achieved through enhancing resource mobilization in order to have sufficient resources to carry out the activities.

During the period under review, a total of ZMW 36.62 million was received from Government as appropriation in aid and ZMW 0.96 million income was recorded as other income and funds from cooperating partners. The total expenditure amounted to ZMW 37.73 million. The Finance section continued to manage the financial resources of the Bureau in a prudent manner as evidenced by activities being undertaken within the approved budget. The detailed 2022 financial performance is presented in the audit financial report section under Part D.

Human Resource and Administration



ZABS staff pose for a picture after a match past during the 2022 International Women's day celebrations

Establishment Profile

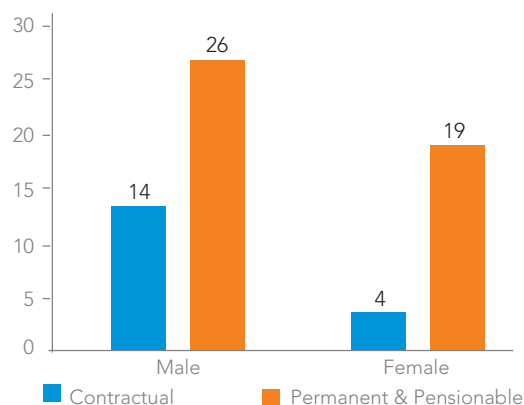
During the period under review, ZABS had an approved staff establishment of 104, of which 63 position were filled, representing 60.5% and 41 positions vacant representing 39.4%. The staff establishment comprised of 23 female employees (36.9%) and 40 male employees (63.1%).

The staffing profile is highlighted in the figure below.

2022 STAFF ESTABLISHMENT

Department	Staff Establishment as at 1 st January 2022 to 31 st December 2022	
	Establishment	Actual
Directors Office and Internal Audit	8	4
Technical Services	70	43
Finance and Corporate Services	26	16
TOTAL	104	63

STAFFING LEVELS



STAFF MOVEMENT

The Bureau recorded a number of staff movements in the year as depicted in Table below

3	1	0	7
Recruitments	Promotions	Lateral Transfer	Resignation



Part of the pupils from Mukamambo Boarding School in Chongwe pose for a picture with ZABS staff that went to the school to donate 860 sanitary towels



Assistant Internal Auditor Bernard Phiri receives the most hardworking award from Mrs Belinda Kancheya - Chairperson of the ZABS Labour Day Committee.

PART D

Audited Financial Reports

Zambia Bureau of Standards Corporate and Administration Information for the year ended 31 December 2022

Board members

During the period 1 January to 31 December 2022, the Minister had not yet appointed the Board, since the realignment of the operations of the Bureau. In the absence of the Board, the Permanent Secretary and the Minister in the Ministry of Commerce, Trade and Industry continued to provide oversight in matters requiring Board attention.

Administration:

Manuel Mutale	Executive Director up to 31.03.2022
Nathan Sing'ambwa	Acting Executive Director appointed on 01.04.2022
Vacant	Director – Technical Services
Nathan Sing'ambwa	Director – Finance & Corporate Services

Auditors

Mark Daniels
CHAZ Complex
Plot No.2882/B/5/10
Third Floor, Suite F3-10/F3-11
Off Great East Road
Mission Drive, Waters
Lusaka

Bankers

Zambia National Commercial Bank
Centre Branch, Cairo Road
Po Box 31090
Lusaka

Registered Office

Zambia Bureau of Standards
Po Box 50259
Plot No. 4526, Lechwe
House, Freedom Way
Lusaka

Report of the Board

1. Background

The Zambia Bureau of Standards is a Statutory body under the Ministry of Commerce, Trade and Industry. It implements the Standards Act No. 4 of 2017 of the laws of Zambia and was established by an Act of Parliament in 1982, which was repealed by CAP 416 of 1994. Prior to 1st January 2018, ZABS operated under CAP 416 that mandated the Bureau to produce Standards, Enforce the Compulsory Standards, Test Products and offer Metrology Services to Industry. Under the new Standards Act No 4 of 2017, the Zambia Bureau of Standards ('ZABS' or 'the Bureau') is specialized in serving the country in the fields of standardization, testing, training, quality management systems and certification services.

2. Principal Activity

The principal activity of the Bureau is to promote and require the adoption of standards in industry and commerce. Its registered office is on Stand No. 4526, Lechwe House, Freedom Way, South End, in Lusaka.

3. Activities and Services

The functions of the Bureau as per Standards Act no. 4 of 2017 are to:

- (a) Develop, publish, maintain or withdraw Zambian National Standards and related normative publications serving the standardization needs of Zambia;
- (b) Administer and maintain standards and ensure conformity with standards.
- (c) Provide inspection services, testing services and system and product certification.
- (d) Provide a voluntary certification mark scheme for the assurance of product conformity to standards.
- (e) Promote quality health and safety standards for commodities, products and services.
- (f) Facilitate efficiency in industry and promote trade through standardization.
- (g) Facilitate training in, and provide public education on, standards and quality assurance.
- (h) Render conformity assessment and related services.
- (i) Participate and represent Zambia in international, regional and foreign bodies with functions similar to the functions of the Bureau.
- (j) Manage and coordinate the multilateral or bilateral interactions with national standards bodies from other countries.
- (k) Provide information service to the public on standards and distribute Zambian National Standards and similar publications from international and regional bodies.
- (l) Provide information for the protection of the consumers on products and services which do not comply with this Act.

3. Activities and Services (continued)

The functions of the Bureau as per Standards Act no. 4 of 2017 are to:

- (m) Cooperate with State Institutions and International Organisations in ensuring conformity with standards.
- (n) Operate as the National Enquiry Point, in consultation with the relevant Ministries and
- (o) Provide for a research and development programme for new standards, improvements of existing standards, standardization of test methodology and the articulation of future needs that might affect the standards environment.

4. Capital and resources

The Bureau has no subscription capital. Its capital resources comprise of accumulated funds and unamortised deferred credits relating to capital and deferred revenue grants.

5. Financial and Operational Highlights

(a) Operating Results

The operating surplus for the year ended 31st December 2022 amounted to ZMW0.192 million (2021: ZMW 2.76 million).

(b) Income

Total incoming resources for the year amounted to ZMW 37.58 million (2021: ZMW 37.82 million).

(c) Expenditure

Expenditure totalled ZMW 37.72 million (2021: ZMW 35.057 million).

The main operating costs were amortisation 0.016 Million (2021: ZMW 0.014 Million), Depreciation ZMW0.905 Million (2021: ZMW1.766 Million) costs of personnel ZMW 24.6million (2021:23.003 million) and recurrent expenditures ZMW 9.292 million (2021: ZMW 8.381 million).

(d) Capital Expenditure

Capital expenditure amounted to ZMW 2.2 million (2021:3.9 million)

6. Risk Factors

The Bureau faces a number of operational, legal and financial risks in its operations:

(a) Operational Risk

Operational risk is the risk of losses from inadequate or failed internal processes and systems, caused by human error or external events. It has a broad scope and includes transaction authorization processing, completeness of income recording, payments processing and the management of information, data quality and records. The following are the main risks noted under this classification;

- (i) Financial Crime Risk – Financial crime risk is the risk that the Bureau suffers losses because of internal and external fraud or intentional damage, loss or harm to people, premises or its movable assets.
- (ii) Technology Risk – Technology is a key business enabler in ZABS and requires an appropriate level of control to ensure that the most significant technology risks are effectively managed. Such risks include the non-availability of testing and calibration systems, inadequate design and testing of new and changed solutions and inadequate system security.
- (iii) People Risk – People risk arises from failures of the Bureau to manage its key risks as an employer, including lack of appropriate people resource, failure to manage performance and reward, unauthorized or inappropriate employee activity and failure to comply with employment related requirements.

(b) Legal Risk

ZABS is subject to a comprehensive range of legal obligations, mostly covered by the Standards Act No. 4 of 2017. As a result, it is exposed to many forms of legal risk, which may arise in a number of ways; its business may not be conducted in accordance with the requirements of the Act, contractual obligations may either not be enforceable as intended or may be enforced against the Bureau in an adverse way, the Bureau may face risk where legal proceedings are brought merit, the outcome of legal proceedings is inherently uncertain and could result in financial loss. Defending legal proceedings can be expensive and time-consuming and there is no guarantee that all costs incurred will be recovered, even if the Bureau is successful.

(c) Reporting Risk

(i) Financial Reporting Risk

Financial reporting risk arises from a failure or inability to comply fully with regulations or codes in relation to the preparation, presentation or disclosure of financial information. Non-compliance could lead to damage to reputation or, in extreme cases, withdrawal of external funding.

6. Risk Factors (continued)

(ii) Accounting Risks

The Bureau's future performance and results could be materially different from expected results depending on the outcome of certain potential risks and uncertainties, details of which are discussed above. The reported results of the Bureau are also sensitive to the accounting policies, assumptions and estimates that underlay the preparation of its financial statements. Details of its critical accounting policies and key sources of accounting judgments are included on pages 45 to 49.

(iii) Financial Risks

ZABS through its normal operations is exposed to a number of risks on its financial instruments, the most significant of which are credit and liquidity. Market (currency and interest) risks are generally low. The two main risks on its financial instruments are generally deemed to be within manageable limits. The Bureau's financial risk exposures are discussed on pages 49 to 53 in Note 12 to the financial statements.

7. Risk Management and Control

As explained on Statement 6 above, the Bureau through its normal operations is exposed to a number of risks, the most significant of which are operational, legal and financial risks. The Board is responsible for establishing and ensuring maintenance of adequate internal controls over financial reporting. However, all internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

8. The Board

(a) Composition

The Board governs the operations of the Bureau. The membership of this Board of the Bureau is as provided for in Section 6(l) of the Standards Act.

(b) Members

During the period 1 January 2022 to 31 December 2022, the Ministry had not yet appointed the Board, since realignment of the operations of the Bureau, effective 1 January 2018. In the absence of the Board, the Permanent Secretary and the Minister in the Ministry of Commerce, Trade and Industry continued to provide oversight in matters requiring board attention.

9. Executive Management

The following form part of the executive management responsible for administration of the Bureau:

Manuel Mutale	-	Executive Director – up to 31.03.2022
Nathan Sing'ambwa	-	Acting Executive Director – appointed on 01.04.2022
Nathan Sing'ambwa	-	Director – Finance & Corporate Services
Vacant	-	Director – Technical Services
Alex Mubita	-	Finance Manager
Vincent Numbwa	-	Internal Audit Manager
Andrew Chipongo	-	Laboratories Manager
Nteema Muzandu	-	Certification Manager
Belinda Kanchea	-	Standards Development & Training Manager

10. Pension Scheme

The Bureau has a pension scheme for all permanent and pensionable staff. It is duly registered with the Ministry of Lands, the Pensions and Insurance Authority and Zambia Revenue Authority. It is a defined contribution retirement benefit plan for all qualifying employees, with minimum contributions being 5% of employee compensation, in 1:2 split between the member and the employer. A separate Board of trustees administers the Scheme.

11. Related Party Transactions

The Bureau has a common enterprise relationship with the Government of the Republic of Zambia ("GRZ") and its departments. Other related party relationships and material balances that the Bureau has with its related parties are listed in Note 14 to the financial statements.

12. Events Subsequent to the Reporting Period

There have been no significant events between the year-end and the date of approval of these financial statements.

Responsibilities of the Board

The Board is responsible for the preparation and fair presentation of the financial statements of Zambia Bureau of Standards, comprising the statement of financial position as at 31st December 2022, and statements of profit or loss and other comprehensive income, changes in Bureau funds and cash flows for the year ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with the International Financial Reporting Standards and the Standard Act No. 4 of 2017.

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

The Board members' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

In the absence of the Board, ZABS Management in consultation with the parent ministry assessed the Bureau's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

Approval of the financial statements

The financial statements of the Bureau as indicated below, were approved by the Permanent Secretary on 28th March 2023 and are signed on its behalf by:



Permanent Secretary



Executive Director



MARK DANIELS
— CHARTERED ACCOUNTANTS —

Audit · Advisory · Tax

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Report of the Independent Auditors

To the Zambia Bureau of Standards

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Zambia Bureau of Standards (ZABS), which comprise the statement of financial position as at 31 December 2022, and the statement of surplus and deficit, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion the financial statements give a true and fair view of the financial position of the Zambia Bureau of Standards as at 31 December 2022 and of its financial performance and cash flows for the year ended and have been properly prepared in accordance with the International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the bureau in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audit of Zambia Bureau of Standards. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Zambia Bureau of Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board members are responsible for the other information. The other information comprises of corporate information and the Board members' Report as required by the Standards Act No 4 of 2017. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report on this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZAMBIA BUREAU OF STANDARDS (CONTINUED)

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

The Board members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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 Bureau's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the Bureau or to cease operations, or have no realistic alternative but to do so. Those charged with Governance are responsible for overseeing the Bureau's reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 controls.
- Obtain an understanding of internal controls 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 Bureau's internal controls.
- 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 Bureau's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bureau to cease to continue as a going concern.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bureau to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bureaus' audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZAMBIA BUREAU OF STANDARDS (CONTINUED)

We 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 controls that we identify during our audit.

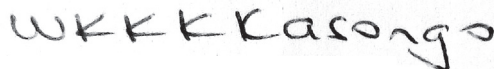
Report on other Legal and Regulatory Requirements

In our opinion, the financial statements of Zambia Bureau of Standards as of 31 December 2022 have been properly prepared in accordance with the Standards and the Act, No. 4 of 2017 and the accounting and other records and registers have been properly kept in accordance with the Act.

Mark Daniels
Chartered Accountants

28th March 2023

Lusaka



Winston Kasongo AUD/F003127
Partner signing on behalf of the firm

Statement of surplus /deficit

	Notes	2022 ZMW	2021 ZMW
Income			
Appropriation in aid	8(a)	35,822,500	31,150,000
Capital grant	8(a)	796,915	453,839
Deferred income	8(a)	803,757	1,046,144
Other income	8(a)	156,912	5,169,333
		<u>37,580,084</u>	<u>37,819,316</u>
Expenditure			
Costs of certification and testing	10(c)	2,504,466	1,638,103
Costs of income generating activities	10(c)	332,830	256,046
Costs of personnel	10(c)	24,676,415	23,002,883
Amortisation	10(c)	16,637	13,719
Depreciation	10(c)	904,740	1,765,670
Recurrent expenditure	10(c)	9,292,556	8,380,980
		<u>37,727,644</u>	<u>35,057,401</u>
(Deficit)/surplus from continuing operations		(147,560)	2,761,915
Other gains	10(b)	120,621	(202,079)
Finance costs	10(d)	(49,294)	(40,997)
Other comprehensive income			
Amortisation of revaluation reserve		268,508	268,508
Total comprehensive surplus		<u>192,275</u>	<u>2,787,347</u>

The notes on pages 42 to 61 form an integral part of these financial statements

Statement of financial position

	Notes	2022	2021
		ZMW	ZMW
ASSETS			
Non-current assets			
Property, plant and equipment	12(a)	19,139,893	17,853,791
Intangible assets	12(b)	62,679	27,033
		<u>19,202,572</u>	<u>17,880,824</u>
Current assets			
Other financial assets at amortised cost	11(a)	560,370	1,315,638
Cash and cash equivalents	11(b)	5,328,451	6,014,856
		<u>5,888,821</u>	<u>7,330,494</u>
Total assets		25,091,393	25,211,318
Non-current liabilities			
Deferred income	12(c)	2,692,480	3,100,269
		<u>2,692,480</u>	<u>3,100,269</u>
Current liabilities			
Trade and other payables	11(c)	11,785,196	10,658,866
Employee benefit obligations	12(d)	1,289,196	1,372,882
		<u>13,074,392</u>	<u>12,031,748</u>
FUNDS AND LIABILITIES			
Capital grants	13(a)	1,921,024	2,599,571
Revaluation reserves	13(b)	11,277,330	11,545,838
Revenue reserves	13(c)	(3,873,833)	(4,066,108)
		<u>9,324,521</u>	<u>10,079,301</u>
Total funds and liabilities		25,091,393	25,211,318

The notes on pages 42 to 61 form an integral part of these financial statements

The financial statements on pages 38 to 61 were approved by the Permanent Secretary on 28 March 2023 and signed on its behalf by:



Permanent Secretary



Executive Director

Statement of changes in funds

	Capital grants	Revaluation reserves	Revenue reserves	Total
	ZMW	ZMW	ZMW	ZMW
At 1 January 2021				
At start of year	1,462,402	11,814,346	(6,853,455)	6,423,294
Capital grants amortised	(453,839)			(453,839)
Received during the year	1,591,008			1,591,008
Surplus for the year			2,518,839	2,518,839
Other comprehensive income				
Transfers from revaluation reserves		(268,508)	268,508	-
Total comprehensive income		(268,508)	2,787,678	2,518,839
Total changes in funds				
As at 31 December 2021	2,599,571	11,545,838	(4,066,108)	10,079,301
At 1 January 2022				
At start of year	2,599,571	11,545,838	(4,066,108)	10,079,301
Prior year adjustment	(21,232)			(21,232)
Restated balances	2,578,339	11,545,838	(4,066,108)	10,058,069
Received during the year	139,600			139,600
Capital grants amortised	(796,915)			(796,915)
Deficit for the year			(76,233)	(76,233)
Other comprehensive income				
Transfers from revaluation reserves		(268,508)	268,508	
Total comprehensive income		(268,508)	192,275	(76,233)
Total changes in funds				
As at 31 December 2022	1,921,024	11,277,330	(3,873,833)	9,324,521

Statement of cash flows

	Notes	2022 ZMW	2021 ZMW
Cash flow from operating activities			
(Deficit)/Surplus before taxation		(76,233)	2,518,839
Adjustments for:			
- Amortisation of capital grants		(796,915)	(453,839)
- Deferred income released		(803,757)	(1,046,144)
- Amortisation of intangible assets		16,637	13,719
- Depreciation		904,740	1,765,670
- Interest received		(65,569)	(2,256)
- Profit on disposal		(130,356)	-
Changes in operating assets and liabilities			
- Decrease in trade receivables		755,268	226,980
- Increase/(Decrease) in payables		1,042,644	(2,859,893)
Cash generated from operations		846,459	163,076
Cash flows from Investing activities			
Purchase of property, plant and equipment	12	(2,212,781)	(3,906,122)
Purchase of intangible asset		(52,283)	-
Proceeds from sale of assets		152,295	-
Adjustment on assets		-	21,751
Interest received		65,569	2,256
Net cash (used on)/from investing activities		(2,047,200)	(3,882,115)
Cash flows from financing activities			
Deferred income received		514,336	4,086,009
Net cash from financing activities		514,336	4,086,009
Decrease/(increase) in cash and cash equivalents		(686,405)	366,970
Opening cash and cash equivalents		6,014,856	5,647,886
Closing cash and cash equivalents	11	5,328,451	6,014,856
Represented by:			
Cash in hand and at bank	11	5,328,451	6,014,856

The notes on pages 42 to 61 form an integral part of these financial statements

Notes

1. Basis of preparing financial statements

The financial statements of Zambia Bureau of Standards have been prepared on the going concern basis and in accordance with the International Financial Reporting Standards (IFRS) and comply with the Standards Act No. 4 of 2017. They have been prepared under the historical cost convention adjusted by the revaluation of tangible fixed assets. The financial statements are presented in Kwacha (ZMW) except where otherwise indicated.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

(a) New standards and amendments-applicable 1 January 2022

Title	Key requirements	Effective date*
<i>Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16</i>	<i>The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is ‘testing whether the asset is functioning properly’ when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.</i> <i>Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity’s ordinary activities.</i>	1 January 2022
<i>Reference to the Conceptual Framework – Amendments to IFRS 3</i>	<i>Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.</i>	1 January 2022
<i>Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37</i>	<i>The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.</i>	1 January 2022

Notes (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

(a) New standards and amendments-applicable 1 January 2022

Title	Key requirements	Effective date*
Annual Improvements to IFRS Standards 2018–2020	<p>The following improvements were finalised in May 2020:</p> <ul style="list-style-type: none"> IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities. IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives. IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis. 	1 January 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.	1 January 2022

Notes (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

(b) Forthcoming requirements

There are a number of standards, amendments to standards, interpretations that have been issued by the IASB that are effective in future periods and the company has decided not to adopt early.

Title	Key requirements	Effective date*
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	<p>The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.</p> <p>To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.</p>	1 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	<p>The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.</p>	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	<p>The amendments to IAS 12 Income Taxes require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.</p> <p>The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:</p> <ul style="list-style-type: none"> ▪ right-of-use assets and lease liabilities, and ▪ Decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets. <p>The cumulative effect of recognizing these adjustments is recognized in retained earnings, or another component of equity, as appropriate.</p> <p>IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.</p>	1 January 2023

Notes (continued)

3. Principal accounting policies

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

(a) Revenue

Revenue represents receipts from grants, interest earnings and miscellaneous income accounted for on an accrual basis.

(b) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bureau and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to the revaluation surplus in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost, net of any related deferred income tax, is transferred from the revaluation surplus to retained earnings.

Depreciation is calculated to write off the cost of property, plant and equipment on a straight-line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

Description	Useful life	Depreciation rate
Land and Buildings	50 years	2%
Computer equipment	5 years	20%
Motor vehicles	5 years	20%
Furniture and fittings	10 years	10%
Office & Lab equipment	5 years	20%

Capital work in progress is not depreciated.

The assets' residual values and useful lives are reviewed at each balance sheet date and adjusted if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the income statement in the other operating income. When revalued assets are sold, the amounts included in the revaluation surplus relating to these assets are transferred to retained earnings.

Notes (continued)

3. Principal accounting policies (continued)

(e) Financial assets

Classification

The Bureau classifies its financial assets in the following measurement categories:

Those to be measured subsequently at fair value (either through OCI or through profit or loss), and those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in either profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Bureau has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Bureau reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Bureau commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Bureau has transferred substantially all the risks and rewards of ownership.

Measurements

At initial recognition, the Bureau measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Equity instruments

The Bureau subsequently measures all equity investments at fair value. Where the Bureau's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Bureau's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/ (losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Bureau assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Bureau applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 11(a) for further details.

Notes (continued)

3. Principal accounting policies (continued)

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet

(h) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Bureau has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Notes (continued)

3. Principal accounting policies (continued)

(i) Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. See note 11(a) for further information about the Bureau's accounting for trade receivables and note 6(ii) for a description of the Bureau's impairment policies

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Bureau prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(k) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Bureau are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Zambian currency units, which is Zambia Bureau of Standards functional and presentation currency

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the rates of exchange prevailing at the date of 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 recognised in the income statement.

Translation differences on non-monetary items, such as equity at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available for sale financial assets, are included in fair value reserve in equity.

Notes (continued)

3. Principal accounting policies (continued)

(l) Employee benefits

(i) Pension obligations

- (a) National Pension Scheme-Before October 2009, the employees of the Bureau were solely members of the government managed defined contribution scheme, the National Pension Scheme. The Bureau is required to contribute to the scheme 10% of each employee's compensation, split evenly between the employer and the employee. The only obligation of the Bureau with respect to the retirement benefit plan is to make the specified contributions.
- (b) Zambia Bureau of Standards Pension Trust Scheme-From October 2009, the Bureau also operated the Zambia Bureau of Standards Pension Scheme-defined contribution scheme for all qualifying employees. Contributions to the scheme are split between employees and employer, in a 1:2 split of at least 5% of employee's compensation. The assets of the scheme are held in separate trustee-administered funds, the bureau has no legal or constructive obligations to pay further contribution if the fund does not hold sufficient assets to pay all employees the benefits relating to employee's service in the current and prior periods. The total expense recognised in the income statement represents contributions payable to these plans by the bureau at rates specified in the rules of the plans.

(ii) Gratuity obligations

The estimated monetary liability for employees' accrued gratuity pay entitlement at the balance sheet date is recognised as an expense accrual.

(m) Provisions

Restructuring costs and legal claims

Provisions for restructuring costs and legal claims are recognised when: The Bureau has a present legal or constructive obligation because of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(n) Inventories

Inventory is stated at the lower of cost or net realisable value. Cost is determined on a first in first out basis and includes all expenditure incurred in the normal course of business in bringing the goods to their present location and condition, including production overheads based on normal level of activity. Net realisable value takes into account all further costs directly related to marketing, selling and distribution. Provision is made for obsolete and slow moving inventories.

Notes (continued)

4 Critical accounting estimates and judgments

The Bureau makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5. Financial Risk management

Exposure to currency, interest rate and credit risk, arises in the normal course of the Bureau's business.

Currency risk

The Bureau incurs currency risk as a result of bank balances denominated in foreign currencies. The Bureau has operational bank accounts in US Dollars. No hedge is taken out for this risk.

Interest rate risk

The Bureau is exposed to interest rate risk to the extent of the balance of the bank accounts.

Credit risk

No collateral is required in respect of financial assets. The Bureau takes on exposure to credit, which is the risk that a counterparty will cause a financial loss to the bureau by failing to pay amounts in full when due.

At the statement of financial position date, there were no significant concentrations of credit risks (2019: nil).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Liquidity risk

Liquidity risk arises in the general funding of the Bureau's activities.

Liquidity management is directed towards ensuring that all the Bureau's operations can meet their funding needs, whether this is to replace existing funding as it matures, or is withdrawn.

Notes (continued)

6. Financial instruments

Exposure to currency, interest rate, credit and liquidity risk arises in the normal course of the Bureau business.

(i) Credit risk

Credit risk is the risk of financial loss to the Bureau if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Bureau's receivables and cash balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Notes	2022	2021
	ZMW	ZMW
Cash and cash equivalents	5,328,451	6,014,856
Other financial assets at amortised cost	560,370	1,315,638
	5,888,821	7,330,494

The bank accounts are held with reputable banks.

31 December 2022	Current	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
Gross carrying amount – other financial assets	560,370					560,370
Loss allowance	-					
	560,370					560,370

31 December 2021	Current	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
Gross carrying amount– other financial assets	1,315,638		-	-	-	1,315,638
Loss allowance	-	-	-	-	-	-
	1,315,638					1,315,638

Trade receivables and other debtors are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Bureau, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on trade receivables and other debtors are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Notes (continued)

6. Financial instruments (continued)

(iii) Liquidity risk

The following are the contractual maturities of financial liabilities.

31st December 2022

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Longer than 5 years
	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Financial liabilities						
Trade payables	54,837	54,837	54,837			
Other payables	13,019,555	13,019,555	13,019,555			
Total	13,074,392	13,074,392	13,074,392			

31st December 2021

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Longer than 5 years
	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Financial liabilities						
Trade payables	257,401	257,400	257,401			
Other payables	11,774,347	11,774,347	11,774,347			
Total	12,031,748	12,031,748	12,031,748			

(iv) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Bureau's exposure to the risk of changes in foreign exchange rates relates primarily to the operating activities (when revenue or expense is denominated in a foreign currency).

The summary quantitative data about the Bureau's exposure to currency risk as reported to the management is as follows:

2022	Kwacha Equivalent of FC balances	10% FC	Net amount FC
Cash and cash equivalents	241,585	(24,158)	217,427
Net exposure	241,585	(24,158)	217,427

The following significant exchange rates have been applied during the year:

	2022	2021
US\$ 1	18.07	17.65

Notes (continued)

6. Financial instruments (continued)

(iv) Currency risk (continued)

Sensitivity Analysis

A 10 percent strengthening of the Kwacha against the foreign exchange exposure at 31st December 2022 would have increased the profit and increased the retained income. This would have been by the amounts shown below. Thus, this analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Bureau income and surplus/(deficit)

	ZMW
31st December 2022	120,621

A 10 percent weakening of the Kwacha against the foreign exchange exposure at 31st December 2022 would have the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

7. Revenue from Government grants

Revenue represents receipts of Government grants.

8. (a) Income

	2022	2021
	ZMW	ZMW
Appropriation in aid	35,822,500	31,150,000
Capital grants released	796,915	453,839
Deferred income	803,757	1,046,144
Non-operating income	156,912	5,169,333
	<u>37,580,084</u>	<u>37,819,316</u>

9 (a) Accounting policies and significant judgements

Revenue from providing services is recognised in the accounting period in which the services are rendered.

10 (a) Other Income

	2022	2021
	ZMW	ZMW
Sundry income	<u>156,912</u>	<u>5,169,333</u>

Notes (continued)

10. (b) Other gains and losses

	2022	2021
	ZMW	ZMW
	120,621	(202,079)
Net exchange gains/(losses)	120,621	(202,079)

10. (c) Breakdown of expenses by nature

	2022	2021
	ZMW	ZMW
Costs of certification and testing	2,504,466	1,638,103
Costs of income generating activities	332,830	256,046
Costs of personnel	24,676,415	23,002,883
Amortisation of intangible assets	16,637	13,719
Depreciation	904,740	1,765,670
Recurrent expenditure	9,292,556	8,380,980
	37,727,644	35,057,401

10. (d) Financial costs and incomes

Financial income

Interest income from financial assets held for cash management purposes	65,569	1,765,670
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Financial cost

Interest and finance charges paid	(49,293)	(43,253)
Net finance income/(costs)	16,276	(40,997))

11. Financial assets and financial liabilities

	2022	2021
	ZMW	ZMW
Financial assets at amortised cost	560,370	1,315,638
Other financial assets at amortised cost	5,328,451	6,014,856
Cash and cash equivalents	5,888,821	7,330,494

Financial liabilities

	2022	2021
	ZMW	ZMW
Liabilities at amortised cost		
Trade and other payables	13,074,392	12,031,748

Notes (continued)

11. Financial assets and financial liabilities (continued)

11. (a) Other financial assets at amortised cost

Financial assets at amortised cost include the following debt investments

	2022	2021
	ZMW	ZMW
Other receivables	560,370	1,315,638
Less:		
Provision for impairment losses	-	-
	<u>560,370</u>	<u>1,315,638</u>

Classification of financial assets at amortised cost

The Bureau classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Impairment and risk exposure

Information about the impairment of trade receivables and the Bureau's exposure to credit risk and foreign currency risk can be found in note 6(i), (ii) and (iii).

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Bureau.

11. (b) Cash and cash equivalents

	2022	2021
	ZMW	ZMW
Cash in hand and at bank	5,328,451	6,014,856
Short term deposits with commercial banks	-	-
	<u>5,328,451</u>	<u>6,014,856</u>

Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	2022	2021
	ZMW	ZMW
Balances as above	5,328,451	6,014,856
Bank overdrafts	-	-
Balances per statement of cash flows	<u>5,328,451</u>	<u>6,014,856</u>

Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest. See note 3(g) for the Bureau's other accounting policies on cash and cash equivalent

Notes (continued)

11. (c) Trade and other payables

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature

12. Non-financial assets and financial liabilities

This note provides information about the Bureau's non-financial assets and liabilities, including: specific information about each type of non-financial asset and non-financial liability:

- property, plant and equipment
- Intangible assets
- Deferred income
- employee benefit obligations

Current liabilities

	2022	2021
	ZMW	ZMW
Trade payables	54,837	257,401
Sundry Payables, Accruals & Provisions	13,019,555	11,774,347
	<u>13,074.392</u>	<u>12,031,748</u>

Notes (continued)

12. (a) Property, plant and equipment

(a) Summary

	Land & Buildings	Motor Vehicles	Laboratory Equipment	Fixtures & office equipment	Total
Cost/valuation	ZMW	ZMW	ZMW	ZMW	ZMW
At 1 January 2021	15,134,890	4,112,532	25,506,227	4,634,683	49,388,332
Additions	-	512,640	2,949,395	444,087	3,906,122
Disposals	-	-	-	-	-
Adjustments	34,589	-	(405,152)	(703,407)	(1,073,970)
At 31 December 2021	15,169,479	4,625,172	28,050,470	4,375,363	52,220,484
At 1 January 2022	15,169,479	4,625,172	28,050,470	4,375,363	52,220,484
Additions	120,680	1,128,800	444,682	518,619	2,212,781
Disposals	-	(500,580)	-	(50,515)	(551,095)
At 31 December 2022	15,290,159	5,253,392	28,495,152	4,843,467	53,882,170
Depreciation					
At 1 January 2021	1,815,275	3,397,656	24,809,698	3,630,613	33,653,242
Charge for the year	301,990	464,034	677,224	322,422	1,765,670
Adjustments	33,385	-	(404,980)	(680,62)	(1,052,219)
Elimination on disposal					
At 31 December 2021	2,150,650	3,861,690	25,081,942	3,272,411	34,366,693
At 1 January 2022	2,150,650	3,861,690	25,081,942	3,272,411	34,366,693
Charge for the year	301,990	473,253	90,446	39,051	904,740
Disposals	-	(500,580)	-	(28,576)	(529,156)
At 31 December 2022	2,452,639	3,834,363	25,172,389	3,282,886	34,742,277
Net book value					
At 31 December 2022	12,837,519	1,419,029	3,322,764	1,560,581	19,139,893
31 December 2021	13,018,829	763,482	2,968,528	1,102,952	17,853,791

Notes (continued)

12. (a) Property, plant and equipment (continued)

(i) Summary

Carrying amounts that would have been recognised if land and buildings were stated at cost

If freehold land and buildings were stated on the historical cost basis, the amounts would be as follows:

Land and buildings

	2022	2021
	ZMW	ZMW
Cost	2,165,764	2,165,764
Accumulated depreciation	(129,945)	(86,630)
Net book value	<u>2,035,819</u>	<u>2,070,134</u>

12. (b) Intangible asset

Cost/valuation

	2022	2021
	ZMW	ZMW
At 1 January	678,956	678,956
Additions	52,283	-
At 31 December	<u>731,239</u>	<u>678,956</u>

Amortisation

At 1 January	651,923	638,204
Charge for the year	16,637	13,719
At 31 December	<u>668,560</u>	<u>651,923</u>
Net book value	<u>62,679</u>	<u>27,033</u>

Notes (continued)

12 (c) Deferred income

	2022	2021
	ZMW	ZMW
At beginning of the year	3,100,269	1,651,412
Prior year	21,233	-
Received during the year	374,735	2,495,001
Deferred income released	(803,757)	(1,046,144)
At end of the year	<u>2,692,480</u>	<u>3,100,269</u>

These funds were received from Zambia Agribusiness Trade Project (ZATP), Lobito Trade Facilitation Project, United Nations Environment Programme (UNEP) and Citizens Economic Empowerment (CEEC) in order to increase capacity of ZABS and to promote MSMEs in the country.

Current liability

	2022	2021
	ZMW	ZMW
Provision for gratuity	1,289,196	1,372,882
	<u>1,289,196</u>	<u>1,372,882</u>

13. (a) Capital grants

	2022	2021
	ZMW	ZMW
At beginning of the year	2,599,571	1,462,402
Received during the year	139,600	1,591,008
Prior year adjustment	(21,232)	-
Capital grants amortised	(796,915)	(453,839)
At end of the year	<u>1,921,024</u>	<u>2,599,571</u>

13. (b) Revaluation reserves

	2022	2021
	ZMW	ZMW
At beginning of the year	11,545,838	11,814,346
Realisation of revaluation reserves	(268,508)	(268,508)
At end of the year	<u>11,277,330</u>	<u>11,545,838</u>

The revaluation reserve account records the difference between the new value of the revalued assets and their net book values, which is represented by cost less accumulated depreciation.

Notes (continued)

13. (c) Revenue reserves

	2022	2021
	ZMW	ZMW
At beginning of the year	(4,066,108)	(6,853,455)
Prior year Adjustment		-
(Deficit)/Surplus for the year	(76,233)	2,518,839
Realisation of revaluation reserves	268,508	268,508
	<u>(3,873,833)</u>	<u>(4,066,108)</u>

The Revenue reserves account represents the accumulation of annual surpluses/deficits. Accumulated funds have continued to decline from a deficit of ZMW 4,066,108 (FY2022) to a negative balance of ZMW 3,873,833 owing prior to the reported surplus of ZMW 76,233 recorded during the year ended 31st December 2022

14. Related parties

(a) Identity of related parties

The Bureau has a common enterprise relationship with Government of the Republic of Zambia. As there was no Board during the year, related parties include members of the Bureau's key management team.

(b) Control and governance of the Bureau

The Bureau has a common enterprise relationship with Government of the Republic of Zambia and falls under the auspices of the Ministry of commerce, Trade and Industry. Internal supervision of its management and control of the affairs of the Bureau, however, is vested in the Board. In 2021, however, as in the prior year, the Bureau had no Board.

(c) Key management of the Bureau

The key management of the Bureau i.e. officers other than Board members with the ability, directly or indirectly, to control or exercise significant influence over the Bureau in making financial and operating decisions, are listed on Corporate and Administration Information and their remuneration is shown below.

(d) Transactions with related parties

None of the Board members, key executives or parties related to them has undertaken any material transactions with the Bureau. However, the GRZ and its departments are regarded as single related party, the list of related party transactions in these financial statements is summarised below.

Notes (continued)

14. Related parties (continued)

	2022	2021
	ZMW	ZMW
Government Funding received	35,822,500	31,150,000
Key management remuneration	1,364,309	2,428,7888

15. Capital commitments

The Bureau did not have any capital commitments during the year under review.

16. Contingent liabilities

There were no contingent liabilities as at the period-end (2021: Nil)

17. Events subsequent to balance sheet date

There has not arisen since the end of the financial year any item, transactions or event of a material and unusual nature likely, in the opinion of the directors of the Bureau, affect substantially the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in subsequent financial years.

18. Comparative figures

Comparative figures are restated where necessary to afford a reasonable comparison.

Recurrent expenditure

	2022	2021
	ZMW	ZMW
Advertising & promotions	-	9,850
Audit services	69,600	69,600
Cleaning materials and expenses	242,329	271,128
Coding of assets	-	27,814
Commemorative events	106,862	-
Electricity	201,420	260,723
Entertainment	27,000	54,000
Fuel and lubricants	457,971	401,737
Insurance	278,389	180,813
Lunch allowances	25,385	16,622
Marketing and public relations expenses	597,495	532,163
Market surveillance fees	-	3,217
Office and meeting expenses	180,592	157,442
VAT on sales write off	2,280,880	2,352,126
Postage, post box rentals and courier services	68,300	56,939
Printing & stationery	474,003	437,298
Protective clothing & uniforms	46,930	9,830
Recruitment expenses	58,040	9,757
Rent and rates	64,760	51,260
Renewal of payroll package licences	291,990	60,787
Repairs and maintenance-buildings	242,353	179,772
Repairs and maintenance-equipment	319,291	361,499
Repairs and maintenance-motor vehicles	238,536	252,725
Road taxes – motor vehicles	7,243	-
Security services	177,372	164,400
Staff training & development study tours	239,194	63,985
Staff welfare	128,176	243,005
Fees for subscriptions	575,629	856,111
Subsistence allowances-local	596,394	612,328
Subsistence allowances-foreign	244,426	40,383
Telephone, fax, email	290,015	268,674
Tender meetings sitting allowances	-	3,000
Travel expenses-foreign	257,259	7,401
Travel expenses-local	18,722	119,955
Water and sewerage	20,384	41,025
Workshop expenses	465,616	202,611
Total recurrent expenditure	9,292,556	8,380,980

Notes

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Notes

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