

ZABS

Zambia Bureau of Standards

"For Safety and Quality Assurance"



ANNUAL REPORT

2023



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Acronyms

8NDP	Eighth National Development Plan
AFCFFTA	Africa Continental Free Trade Agreement
AFSEC	Africa Electrotechnical Standardization Commission
AGM	Annual General Meeting
ARSO	African Organization for Standardization
BOBS	Botswana Bureau of Standards
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
INIQ	Angola National Institute of Quality Infrastructure
ISO	International Organisation for Standardisation
MSMEs	Micro, Small and Medium Enterprises
NQI	National Quality Infrastructure
NSI	Namibian Standards Institution
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
SES	Stake Holder Engagement Strategy
SMC	Standards Management Committee
TBT	Technical Barriers to Trade
WFP	World Food Programme
ZABS	Zambia Bureau of Standards
ZAM	Zambia Association of Manufacturers
ZATP	Zambia Agribusiness and Trade Project
ZCSA	Zambia Compulsory Standards Agency

Vision, Mission and Values

Vision

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

Mission

Provide Standardisation and Quality Assurance services for a competitive industry

Values

- Transparency
- Accountability
- Collaboration
- Customer Focus
- Innovation
- Integrity



About us

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 It implements the Standards Act No. 4 of 2017 of the laws of Zambia which repealed the CAP 416 of 1994.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.

Our Functions

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

- Develop, publish, maintain or withdraw Zambian National Standards and related normative publications serving the standardization needs in Zambia;
- Provide inspection services, testing services and system and product certification;
- Provide a voluntary certification mark scheme for the assurance of product conformity to standards;
- Promote quality health and safety standards for commodities, products and services;
- Facilitate efficiency in industry and promote trade through standardization

Strategic Objectives

ZABS commits to pursuing the following six Strategic Objectives to attain the strategic results and ultimately the vision. The six Strategic Objectives are:



The Board



Mbobe C Nyondo
Chairperson



Mafwo H. Seulu
Vice Chairperson



Musyani Siwelwa
Member



Fronscen Haloba
Member



Mariah Mulenga
Member



Beatrice Botha
Member



Trust Mufune
Member

Management



Nathan Sing'ambwa
Executive Director



Belinda S. Kancheya
Director Technical Services



Vincent Numbwa
Board Secretary



Alex Mubita
**Director Finance and
Corporate Services**



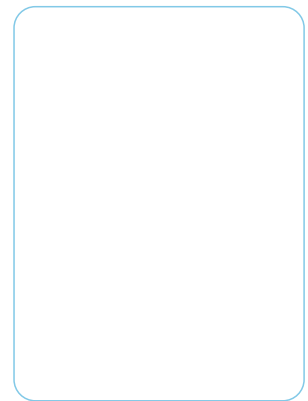
Andrew Chipongo
**Standards Development
and Training Manager**



Nteema Muzandu
Certification Manager



Dickens Chisengalumbwe
**Testing Laboratories
Manager**



Vacant
**Human Resource &
Administration Manager**

Board Chairperson's Foreword

I am pleased to present the 2023 Annual Report for the Zambia Bureau of Standards. This is the first report presented under the leadership of the new Board of Directors that was appointed by the Minister of Commerce Trade and Industry Hon. Chipoka Mulenga in March 2023. It is an honour and privilege for us as Board to oversee the operations of an institution of such significance and we are fully committed to upholding the trust placed in us by the Minister.

As a Board, our primary focus is on strengthening the role of ZABS within the National Quality Infrastructure (NQI) which we envision will lead to a notable improvement in the quality of goods and services, thereby contributing to the overall growth and competitiveness of our economy.

Upon being appointed, we had the privilege of undertaking benchmarking visits to some National Standards Bodies (NSBs) across Africa. These visits were helpful, providing us with both learning opportunities and insights into areas where we needed to improve on as ZABS if we are to meet our strategic objectives as outlined in the 2022-2026 Strategic Plan. Some of the significant areas of focus include;

a. Embracing technology for efficiency in service delivery

One of our strategic objectives is to improve internal systems which is essential to operating efficiently and effectively. The use of technology can help streamline processes and reduce on the time it takes for stakeholders to access services. With the support of the Zambia Agribusiness and Trade Project (ZATP) Phase II, we anticipate to start digitalizing our services which will enhance



the Bureaus' operational efficiency and effectiveness ultimately leading to better service delivery and greater satisfaction among our stakeholders.

b. Decentralisation of ZABS services

The urgency to decentralize ZABS services has never been more pronounced than at present. The rise in economic activities across the mining, construction, agriculture and the food and beverage sectors call for increased provision of standards and conformity assessment services across the country. For this reason, the Bureau has planned to open a Regional Office in Kitwe in the first half of 2024. The office will serve the needs of industry on the Copperbelt and Northwestern provinces. We anticipate to open an additional office in Southern Province in 2025.

c. Realignment of the Organisation structure

During the unveiling of the 2022-2026 Strategic Plan, the Bureau committed to reviewing and operationalizing the organization structure to achieve optimum staffing levels. This exercise aims to ensure that the Bureau has the required personnel to carry out its functions and meet its strategic objectives. of importance is the research and development function which is critical in ensuring new standards and the articulation of future needs in the standards environment. Our focus in 2024 will be to operationalize some of the functions to appropriately align with our strategic objectives and operational needs.

d. Launch of the New Laboratory Complex

To be able to respond to the growing demands of industry, the Bureau has had to expand its testing scope for the testing laboratories and consider relocation of the laboratories. Laboratory infrastructure has

been a key area of strategic focus for years. ZABS is on the brink of achieving a significant milestone with the construction of the new state of the art laboratory complex nearing completion. The USD 3.9 million complex is being constructed with the support of the World Bank through ZATP and is scheduled for commissioning in 2024.

I would like to thank the Ministry of Commerce Trade and Industry for supporting the activities of the Bureau, I commend the Management team for steering the institution to where it is today and the hardworking members of staff who continue to dedicate their time and expertise to attaining the goals that we set for the improvement and development of our economy.

Mbobe C. Nyondo
BOARD CHAIRPERSON



Corporate Governance

Board Leadership

The Standards Act delegates the governance of the Zambia Bureau of Standards to a Board appointed by the Minister of Commerce, Trade, and Industry. Good Corporate governance ensures that the Bureau is accountable for its actions and decisions to its stakeholders, including the government, industry, cooperating partners and the general public.

Some of the responsibilities of the Board include the following:

- Oversee the implementation and successful operation of the policy and functions of the Bureau;
- Review and approve the policy and strategic plans of the Bureau;
- Approve the annual budget and plans of the Bureau;
- Approve the methodology for the development and approval of Zambian National Standards;
- Approve the investment of the funds of the Bureau in accordance with Ministerial approval and relevant regulations;
- Monitor and evaluate the performance of the Bureau against budgets and plans; and
- Do all such things as are connected with, or incidental to, the functions of the Board under this Act.

Composition of the Board

The Board for the Bureau consists of the following part time members appointed by the Minister of Commerce Trade and Industry;

- A representative of the Ministry responsible for industry;
- A representative of the Attorney General;
- Two persons representing manufacturers and chambers of commerce respectively; and
- Three persons with experience and knowledge in matters relevant to this Act.

The Board which was appointed in March 2023, consists of the following:

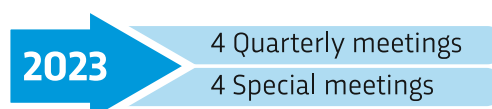
1	Mr. Mbope C. Nyondo	Chairperson
2	Mr. Mafwo H. Seulu	Vice Chairperson
3	Dr. Beatrice Botha	Member
4	Ms. Mariah Mulenga	Member
5	Mr. Trust Mufune	Member
6	Ms. Fronscen Haloba	Member
7	Mr. Musyani Siwelwa	Member

Board Committees

There are three board committees namely, Technical Committee, Audit Committee and Finance and Administration Committee. The committees deliberate on management submissions and report to the full Board on a quarterly basis.

	Committee	Chairperson
1	Technical Committee	Ms. Fronscen Haloba
2	Audit Committee	Mr. Mafwo H. Seulu
3	Finance & Administration	Mr. Musyani Siwelwa

Board Meetings





The ZABS Board and Management team during Board Orientation



ZABS Board Chairperson Mr. Mbope Nyondo along side other Board members and ZABS management during a tour of the Laboratories being constructed off Airport Road



The Board paid a courtesy call on the Deputy Permanent Secretary of Eastern Province Ms. Beauty Undi Phiri during a familiarization visit to the ZABS Chipata Office



ZABS Board Chairperson Mr. Mbope Nyondo led other Board members and Director Technical Services on a courtesy visit to Zambia's High Commissioner to Kenya, Her Excellency Mrs. Joyce Kapampa Kasosa in Nairobi Kenya

Executive Director's Statement

I am delighted to present an overview of the 2023 performance for the Zambia Bureau of Standards with audited Financial Statements. ZABS continued to perform its functions as outlined in the Standards Act No. 4 of 2017 and in line with our recently launched 2022-2026 Strategic Plan.

Before I delve into the Bureaus' performance, I wish to extend a warm welcome to the Board of Directors who were appointed by the Minister of Commerce Trade and Industry, Hon. Chipoka Mulenga in March 2023. With the Board's oversight, we look forward to steering ZABS to greater heights.

During the period under review, the Bureau undertook various programmes and activities in line with the 2022-2026 Strategic Plan which is anchored on three Strategic Themes namely, Standardisation and Quality Assurance; Strategic Partnerships and Operational Excellence. By implementing these strategic themes, ZABS aims to contribute to a competitive industry, foster stakeholder engagement, and enhance the quality of service, all of which are crucial for economic development.

There has been a notable increase in the utilization of Standards and Conformity Assessment services by Industry as evidenced by the 9,362 samples that were received for testing compared to the 9,080 samples received in 2022. A total of 274 products were certified and awarded the ZABS mark of quality compared to 181 products certified in 2022. Under the Certified Local Supplier Scheme, a total of 85 SME products were certified in 2023, compared to 57 in 2022. Additionally, 24 Management Systems certificates were issued compared to 19 issued in 2022.



Throughout 2023, the Bureau remained committed to supporting Micro, Small, and Medium Enterprises (MSMEs) by offering training and mentorship to these sector players. This commitment reflects the importance ZABS places on MSMEs and their participation in the growth of the economy. In the period under review, 80 MSME related training sessions were conducted compared to 47 in 2022, while 27 trainings for large enterprises were conducted compared to 24 in 2022.

The Bureau remains committed to the development of standards in line with the priority areas of the economy. It is no wonder that in the year under review, a total of 491 standards were published compared to 311 finalized in 2022.

As Zambia continues to experience growth in the various sectors, the Bureau will endeavor

to provide the much needed support to industry to ensure that products and services are in line with the requirements of national, regional and international requirements.

Other notable achievements recorded in the year under review include;

a. Development of the National Standardization Strategy (NSS) and the Stakeholder Engagement Strategy (SES)

The NSS and the SES which spell out the national standardisation priorities and stakeholder engagements mechanisms respectively, are aimed at enhancing stakeholder involvement and participation in the roll out of the Bureaus' mandate. A lot of time and effort went into crafting these documents, with the support of technical experts. These documents will be key as we develop more standards for our economy and define how we engage with our stakeholders.

b. Regional and Continental Standards Development

The Bureau participated in the development of Regional and Continental standards at the Southern Africa Development Community Cooperation in Standardization (SADCSTAN) and African Organization for Standardization (ARSO) respectively to support Government policies in the implementation of the African Continental Free Trade Area (AfCFTA) which seeks to establish a single market for goods and services among memberstates. Among the standards that were developed include;

- Minimum Energy Performance Standards
- Sustainability and Eco-Labelling Standards
- Automotive Fuels Standards
- Road Worthiness Standards

c. Stakeholder Engagements

The Bureau in the period under review continued to engage its various stakeholders with the aim of improving stakeholder participation in the standards development process and increasing uptake of standards and quality assurance services by industry. In 2023, we conducted a total of 60 stakeholder engagements through company visits around the country. The Bureau also held sector specific meetings for the food and beverage and engineering, chemical and chemical products sector. Other engagements include trade shows, exhibitions, and bilateral meetings with National Standards Bodies from Angola, China, Democratic Republic of Congo, Malawi, Mozambique, Saudi Arabia, Tanzania, Turkey, United Arab Emirates and Zimbabwe.

d. Maintenance of Accreditation

The maintenance of accreditation for the testing laboratories and certification services is testament of our competence, credibility and reliability. In the period under review, assessments of our testing laboratory facilities and certification services were conducted by SADCAS. It is pleasing to see that our services continue to consistently align with international best practices. Furthermore, beyond maintaining our accreditation status, we expanded our accreditation scopes to include areas such as dairy and poultry products for product certification and Environmental Management Systems (ISO 14001) and Food Safety Management System (ISO 22000).

FOCUS AREAS FOR 2024 MoU's

In 2023, the Bureau signed a number of Memoranda of Understanding with National Standards Bodies (NSBs) and other cooperating partners within the region. The MoUs are part of the efforts to reduce

technical barriers to trade through establishing mechanisms for the mutual recognition of test certificates and certification marks on products and services. In 2024, the Bureau will endeavor to ensure that the MoUs are implemented for the benefit of industry. In doing so, we aim to facilitate access to more markets for local products and services. Notably among the already existing MoUs are those signed with South Africa Bureau of Standards (SABS), Angola National Institute of Quality Infrastructure (INIQ) and the Namibian Standards Institution (NSI) in 2023.

b. Optimize operations through automation

In order to improve service delivery, the Bureau in 2024 will focus on automating its services in a phased approach. This automation is being made possible through the support of ZATP Phase II. The automation will improve how our stakeholders access services for the quality advancement of their operations. One of the major automations

that the Bureau is looking to operationalise in 2024 is the webstore. The webstore will enable clients to purchase a standard online and receive the soft copy almost instantly.

I take this opportunity to thank our cooperating partners, the Government of the Republic of Zambia, through the Ministry of Commerce Trade and Industry, the Board and all staff for the continued support. By working together, we were able to achieve a fair performance for 2023.

Finally, I extend an invitation to you to peruse the pages of this Annual Report, which offers a thorough summary of the Bureaus' performance.

Thank you for your continued support and partnership.

Nathan Sing'ambwa
Executive Director

Performance Overview

Standards Development and Training



1.0 Standards Development

The Zambia Bureau of Standard develops national standards based on international best practices through the engagement of stakeholders and building consensus. The various stakeholders involved in the development of standards are the industry, government, consumers, labour, academic and research institutions, standards applications (testing, certification and accreditation bodies) and Non-governmental organizations.

During the year under review, a total of 491 standards were published in various sectors including Food and Agriculture, Building and Construction, Information and Communication Technology, Chemicals and Health and Engineering.

Furthermore, The development of the National Standardisation Strategy (NSS) and Stakeholder Engagement Strategy (SES) was finalized through the mentorship of the organisation for standardisation (ISO) under the "ISO Standards Engage Project." The strategy documents focus on enhancing stakeholder engagement and participation in the development of standards to attain consensus and balanced representation.

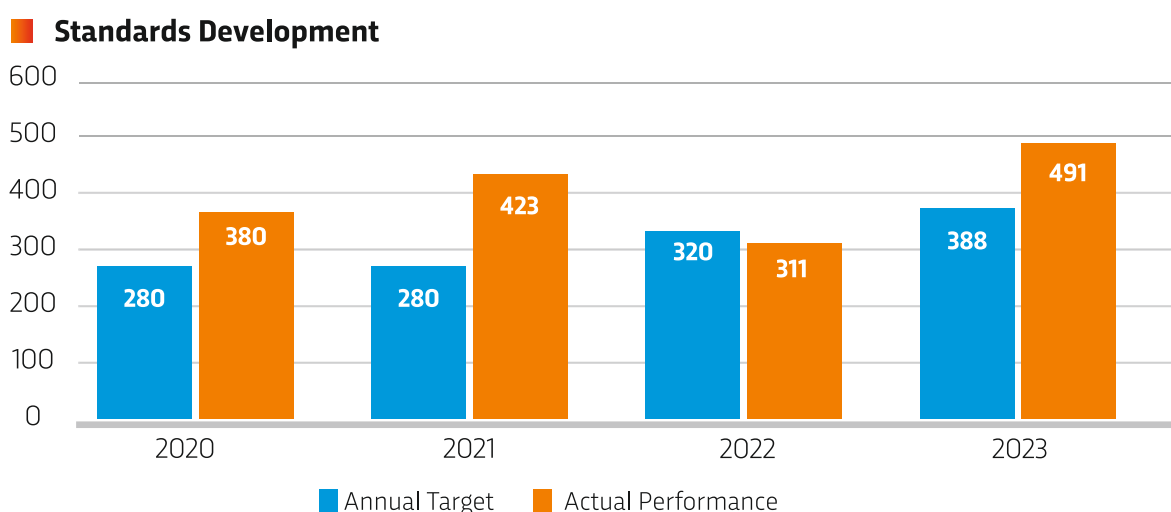


Figure 1: Analysis of Standards Published against set targets for the years 2020-2023

1.1 REGIONAL, CONTINENTAL AND INTERNATIONAL STANDARDS DEVELOPMENT ACTIVITIES

ZABS participates in multiple Regional, Continental and International standards development/harmonization activities under different technical committees. During the period under review, the Bureau participated in a total of 432 regional, continental and international standards development projects. The details are as shown in the table below;

Table 1: Summary of Standards Development – Projects under Harmonization

Regional / International Standardization Bodies	YEAR - 2023			YEAR - 2022		
	Total	CED	FAD	Total	CED	FAD
AFSEC	18	18	0	18	18	-
ARSO	303	185	118	13	13	0
IEC	1	1	0	1	1	0
ISO	34	31	3	34	31	3
SADCSTAN	76	76	0	60	60	-
Total	432	311	121	126	123	3



SADC Sub-Regional Workshop on harmonization of low sulphur fuel standards and used vehicles regulation in Johannesburg South Africa

a) SADCSTAN Meetings

ZABS hosted the Secretariat for the Southern Africa Development Community Cooperation in Standardization (SADCSTAN), structure responsible for co-ordination of harmonization of standards in the SADC which was eventually handed over to Botswana Bureau of Standards (BOBS).

In 2023, a total of five administrative meetings were held that included Standards Management Committee (SMC), Executive Committee (ExCo) and Secretariat related meetings. Others include three technical committee meetings. In addition, workshops on the development of the Framework for the 2022 – 2026 Strategic Plan and sensitization to SMC on the Monitoring Tool on the performance of SADCSTAN Technical Committees.

Table 2: Summary of SADCSTAN Meetings

Meeting	No. of Meetings held in the year
SMC	3
ExCo	1
AGM	0
Secretariat	1
Technical Committees	2
Total meetings	7

1.3 TRAINING CONDUCTED

During 2023 one hundred and seven (107) training sessions for MSMEs and large enterprises were undertaken with a total of 247 participants compared to 71 training sessions with total of 577 participants in 2022.

Table 3: Summary of Training Sessions

Training Sessions Conducted	2023	2022
Quality Management System (ISO 9001)	17	13
Food Safety Management System (ISO 22000)	1	5
Occupational Health and Safety Management Systems (ISO 45001)	4	4
Laboratory Management System (ISO 17025)	0	1
Good Manufacturing/Hygiene Practices	2	45
Hazard Analysis Critical Control Point (HACCP)	3	2
Others (MSME specialized courses)	78	2
Total	105	72



ZABS staff Stephen Mazimba (5th from right) and Collins Siwale (3rd from left) with members of staff from Kansanshi Mining after a training session in ISO 14001

Certification



2.0 Certification Services

Certification services offer the following Certification Schemes:

- ▶ Product Certification (Quality Mark Scheme and Certified Local Supplier Scheme).
- ▶ Management Systems Certification

2.1 PRODUCT CERTIFICATION

• Quality Mark Scheme

A total of 274 products were certified in 2023 against a target of 220 products compared to 181 products certified in 2022 against a target of 200. The products certified include food and beverages, animal feeds, disinfectants, construction materials and others.

• Certified Local Supplier Scheme

Under the Certified Local Supplier Scheme 85 new products were certified against a target of 130 products compared to 57 products against a target of 100 in 2022.

2.2 MANAGEMENT SYSTEMS

• Management Systems Certification Scheme

During the year under review, 16 companies were certified on the Management Systems scheme with a total of 24 certificates issued against a target of 25 certificates as compared to 19 certificates against a target of 20 in 2022. The certifications comprised 9 Quality Management Systems (ISO 9001), 4 Integrated Management Systems (ISO 9001, ISO 14001 & ISO 45001), 2 Food Safety Management Systems (ISO 22000) and 1 Occupational Health and Safety Management Systems (ISO 45001).

• Accreditation of Certification Services

During the year under review, the certification services maintained its accreditation status from the Southern African Development Community Accreditation Services (SADCAS) in accordance with the recognized international standards ISO/IEC 17021-1:2015 and ISO/IEC 17065:2012. The maintenance of accreditation was for 2 Management Systems schemes i.e. ISO 9001:2015 Quality Management Systems and ISO 45001:2018 Occupational Health and Safety Management Systems and 3 Product Certification Schemes- Food and Beverages; Cement; Chemicals and fibres. Additionally, the certification services embarked on extending the scope of accreditation to include ISO 22000 : 2018 Food Safety Management Systems, ISO/IEC 14001:2015 Environmental Management Systems and two more product certification schemes for Poultry and Dairy Products.

Table 4: Summary of Certified Products and Systems

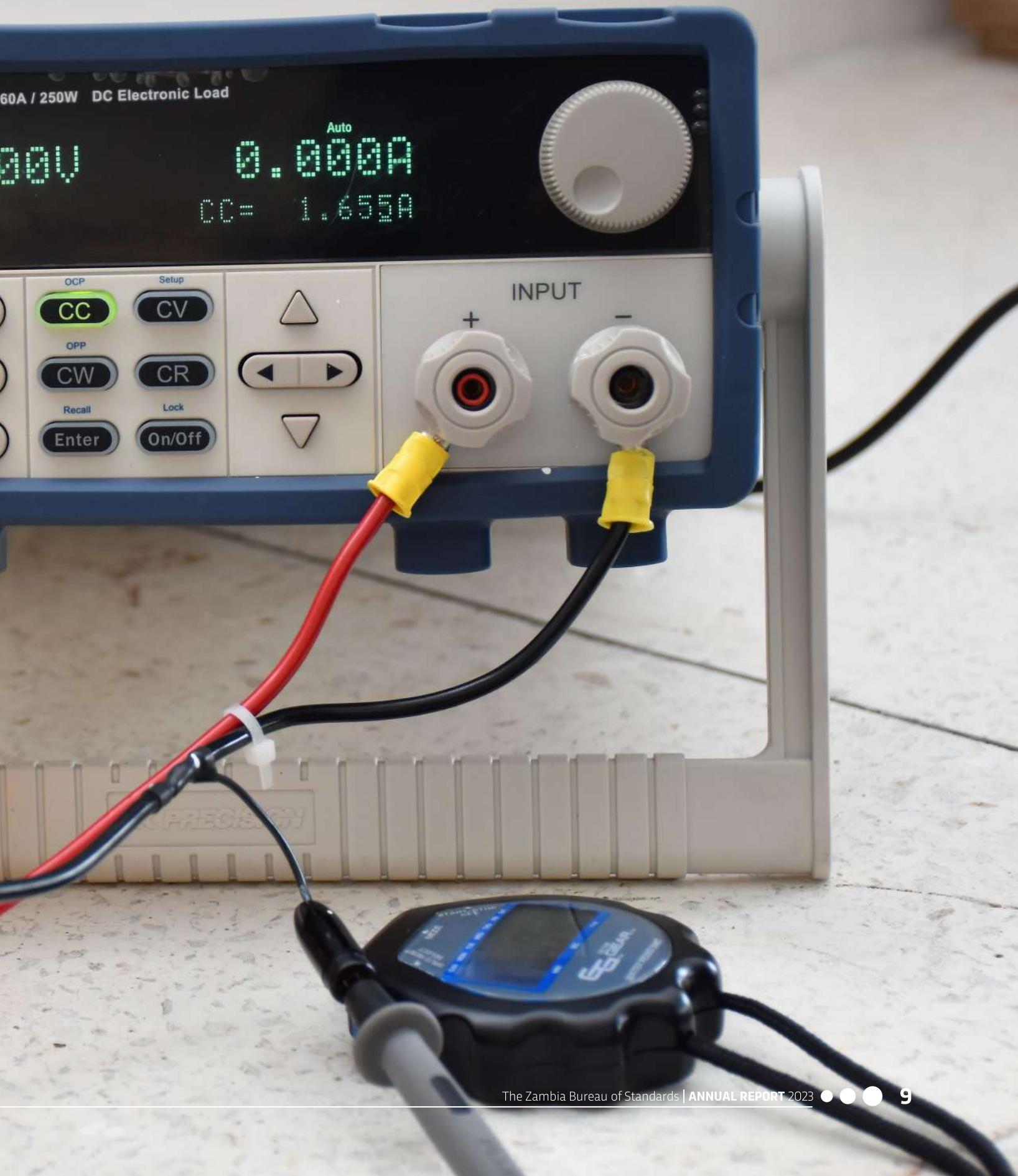
KPI	2023		2022	
	Actual	Target	Actual	Target
MS certificates issued	24	25	19	20
New products certified	274	220	181	200
New companies CLSS	37	65	25	50
New products CLSS	85	130	57	100



SADCAS Executive Director Dr. Eve Gadzikwa (5th from the right) with the certification team following the handover of the accreditation certificates.



Testing Laboratories



3.0 Testing Laboratories

The laboratories tested a total of 9,362 samples during the year 2023 against a target of 11,000. The 2023 workload was 3% higher than 2022 which stood at 9,080 samples tested. The average turnaround time for the year under review was 12 days while customer satisfaction rating for the quality of service provided by the laboratory averaged 82%. The product types tested during the year under review included biscuits, fruit flavored drinks, water, maize meal, wheat flour, toilet soaps, synthetic detergents, jams, marmalade, peanut butter, edible oils, clear and opaque beers, animal feeds and fertilizers. Other products tested include environmental samples, petroleum products such as diesel and petrol, male latex condoms, surgical and examination gloves, textiles and packaging materials (grain bags and polyethene bags), paints, varnishes, batteries, bulbs, LED bulbs, Solar PV Modules, electrical cables and electrical household appliances such as kettles, geysers and pressing irons to mention but a few.

Figure 2. shows trends of sample volumes tested from 2018 to 2023. Subsequent graphs also show clientele and sample distribution for products tested in the year 2023.

■ Samples Tested, 2018 - 2023

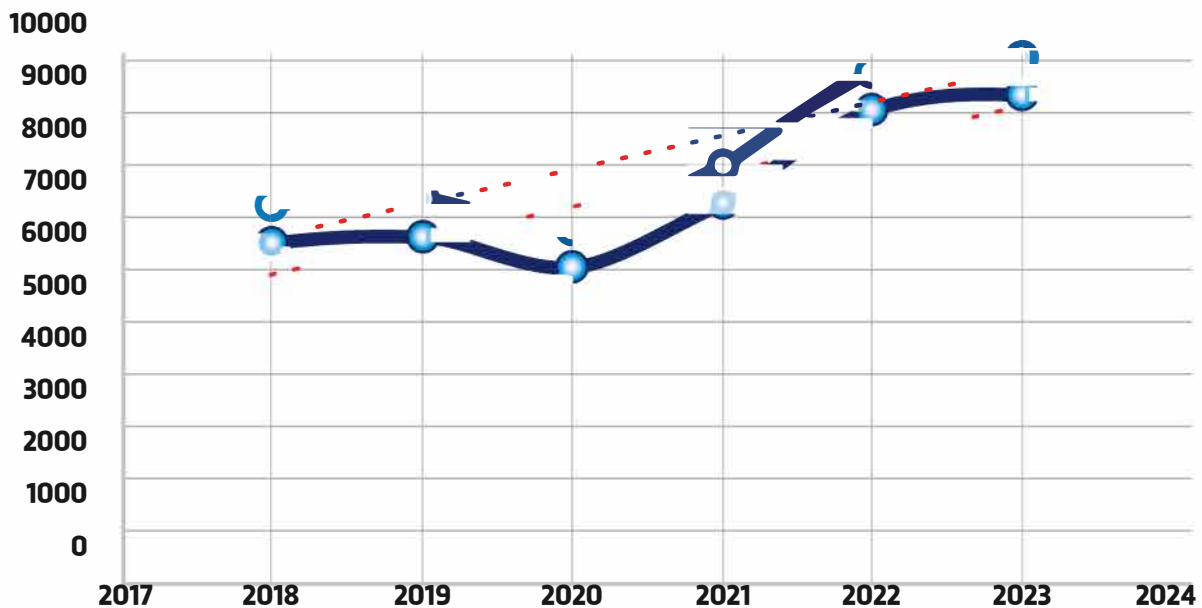


Figure 2: Trend for samples tested between the period 2018 – 2023.

Of the 9,362 samples tested in 2023, external clients primarily consist of the manufacturing industry, business industry, SMEs, academics and individuals accounted for 5,428 samples representing 56%, while 3,745 samples representing 33% samples for the period under review were from the Zambia Compulsory Standards Agency (ZCSA). The Certification and Standards Development section under ZABS constitute our internal clients. They accounted for 469 samples representing 5% of total samples received in the year 2023. A summary of samples received and laboratory clientele proportion has been summarized in Figure 3 and Figure 4 respectively: -

■ Client Distribution 2023

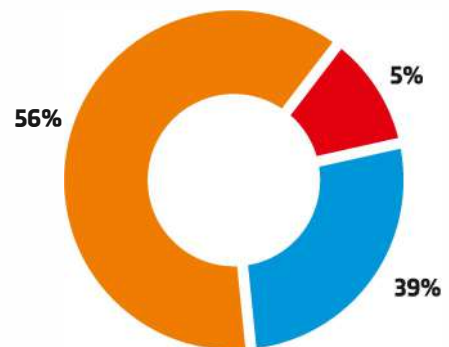


Figure 3: Client Distribution for laboratory testing services, 2023.

Products Tested, 2023

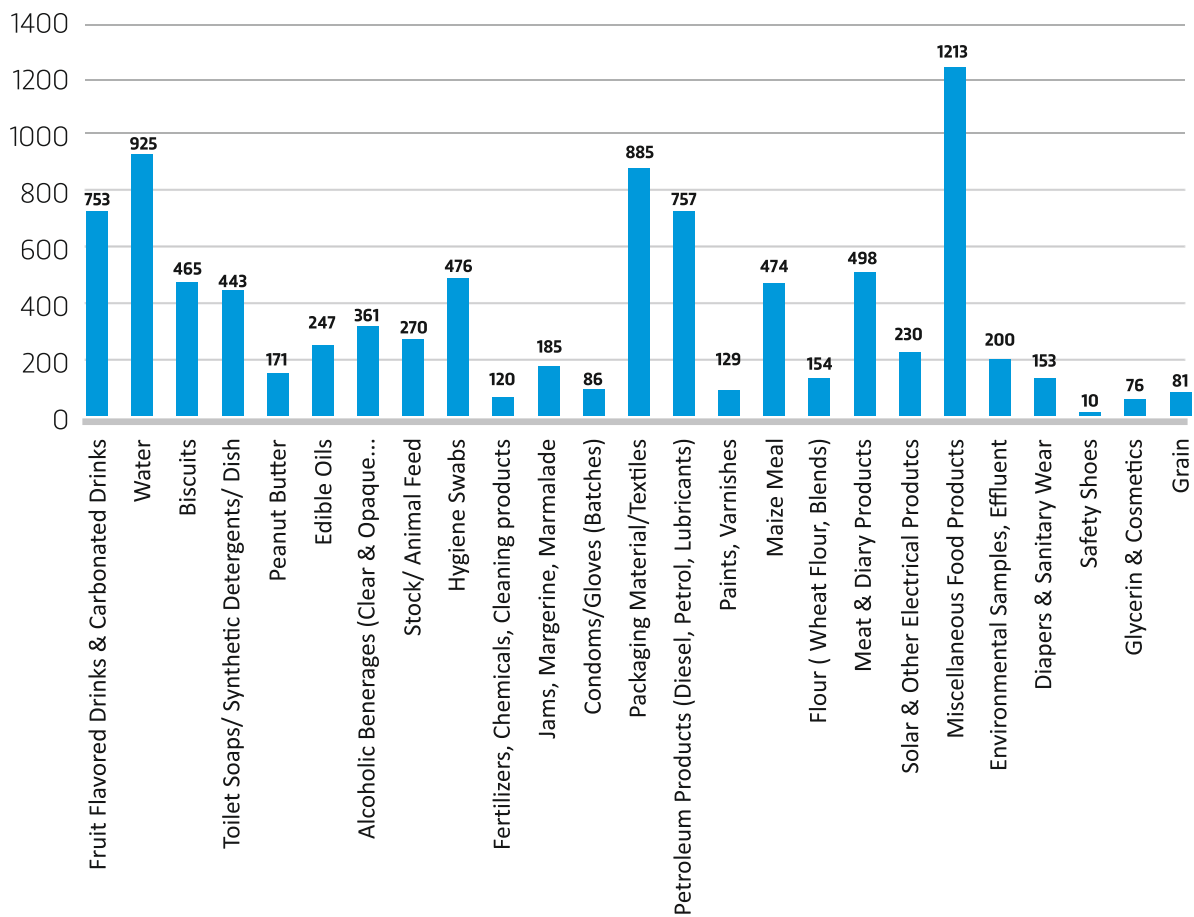


Figure 4: Product distribution for samples tested, 2023.



Overload protection testing setup in the solar equipment testing laboratory



Human Resource and Administration



4.0 Establishment Profile

During the period under review, ZABS had an approved staff establishment of 104, of which 73 positions were filled, representing 70.2% and 31 positions vacant representing 29.8%. The staff establishment comprised of 28 female employees (38%) and 45 male employees (62%). The staffing profile is highlighted in the table below.

Table 5: 2023 Staff Establishment

Department	Staff Establishment as at 1st January, 2023 to 31st December, 2023		
	Actual	Establishment	Variance
Director's Office & Internal Audit	4	8	(4)
Technical Services	48	70	(22)
Finance & Corporate Services	21	26	(5)
Total	73	104	(31)

Table 6: Employee Category

Employee category	2023	Percentage of total staff	2022	Percentage of total staff
Management	18	24.7%	15	24.2%
Unionized employees	55	75.3%	47	75.8%
Total	73	100%	62	100%



ZABS members of staff pose for a photo after a march past during the 2023 International Women's Day celebration

4.1 Staff Movement

The Bureau recorded a number of staff movements in the year 2023. The trend in movements is depicted in the tables below

Table 7 : Recruitment and Promotion Trends:

Year: 2023		Year: 2022	
Recruitment :	13 employees	Recruitment :	3 employees
Promotion :	11 employees	Promotion :	1 employee

Table 8: Transfers and Retirement

Year: 2023		Year: 2022	
Lateral Transfer :	2 employees	Lateral Transfer :	Nil
Retirement :	0	Retirement :	Nil

Staff meeting / Team Building

Staff meeting/ Team Building for all members of staff was held at Twangale park in November, 2023. The Executive Director opened the staff meeting with a presentation on the performance of the Bureau and the way forward in achieving ZABS Strategic Objectives. The employees were entertained with other activities such as sports and health talks presentations as part of staff wellness.



Members of staff after the staff meeting held at Twangale Park



Members of staff enjoying aerobics after the staff meeting at Twangale Park

4.2 Staff Welfare

The following activities were under taken during the period under;

4.2.1 Employee of the Quarter

In a quest to motivate members of staff a total of 4 employees were honored with awards such as a shield, Certificate of appreciation and a shopping voucher worth K1,500.



Chishimba Ilunga
First Quarter



Limson Chirwa
Second Quarter



Vincent Moyo
Third Quarter



Obby Mundia
Fourth Quarter

4.2.2 Labour Day

A total of four (4) employees were awarded during the 2023 Labour Day celebrations. The awards given are highlighted below :



Mercy Zulu
Laboratory Technician
 Most Hardworking Employee
 Gift - Four Plate Gas Stove



Yamikani Yotamu
Systems Accountant Most
 Innovative Employee Gift -
 52" Flat Screen TV



Choolwe Mutelo
Standards Development Officer
 Most Improved Employee
 Gift - Microwave



Brian Mweemba
**Senior Documentation
 and Information Officer**
 Long Service Award
 Gift- 52" Flat Screen TV

4.2.3 Africa Public Service Day

Three (03) employees participated in the exhibitions held at Arcades Mall in commemoration of Africa Public Service Day which was held from 20th to 23rd June, 2023.

4.2.4 Independence Day Commemorations

As part of the Independence Day celebrations, members of staff from ZABS undertook a tree planting exercise at Chibolya Primary School on 27th October 2023. Tree planting plays a vital role in sustaining the environment, supporting biodiversity and addressing climate change, making it a crucial activity for a sustainable and healthy Zambia.



Chibolya Combined School, Deputy Head Teacher Ms Sililo Monde speaking with ZABS members of staff prior to the tree planting exercise that took place at the school



ZABS members of staff alongside Chibolya Combined school pupils conducting the tree planting exercise

4.4 16 Days of Activism against Gender Based Violence

ZABS participated in Gender Based Violence against women meeting in Chirundu as part of the commemorations for 16 Days of Gender Activism.

4.5 World Anti-Corruption Day

The Bureau participated in the commemoration of the 2023 International Anti-Corruption Day under the theme “UNCAC AT 20: UNITING THE WORLD AGAINST CORRUPTION.” The commemoration was held at the Mulungushi International Conference Centre. During the forum, a member of staff Mr.Obby Mundia was awarded the Director General’s award for integrity.



ZABS took part in a march past to commemorate World Anti- Corruption Day which was held on 19th December 2023

Corporate Communication



5.1 Corporate Communication

5.1.1 Media Engagements

Media engagements hold significant importance for ZABS as they provide a platform for communicating with various stakeholders. This facilitates the dissemination of information and raising awareness about the importance of standardisation. Below are the media engagements the Bureau conducted in the year under review.

11

Radio Interviews conducted

12

TV Programs

40

Adverts aired on TV/Radio



Director Technical Services Mrs. Belinda Kancheya being interviewed by Diamond TV at the 95th Agriculture and Commercial Show in Lusaka

5.1.2 Stakeholder Engagements

As an institution, we acknowledge the role that each of our stakeholders play in the success of the Bureau. We equally acknowledge that achieving our strategic objective no 1 of enhanced stakeholder engagement requires a commitment to open and transparent communication and collaboration. Our primary stakeholders include, industry, regulatory agencies, government, academia, traders and exporters and consumers. In the year under review the Bureau engaged with its stakeholders at various levels as highlighted below.

(a) Exhibitions and Trade Shows

During the period under review, ZABS participated in 05 exhibitions and trade shows. These include World Consumer Rights Day (WCRD) exhibition at Levy Mall, the Copperbelt Agriculture, Mining, Industrial, Networking Enterprise (CAMINEX) in Kitwe, the Zambia International Trade Fair in Ndola, Africa Public Service Day in Lusaka and the Agriculture and Commercial Show in Lusaka.



Laboratory Technician Mercy Zulu explains testing procedures to the Permanent Secretaries of the Ministry of Commerce, Mrs. Lilian Bwalya and Mr. John Mulongoti, with Mr. Gerald Chizinga, the Executive Director of ZCSA, listening attentively

b. Company Visits

During the period under review, a total of 60 company visits were conducted in various parts of the country that include Copperbelt, Lusaka and Southern Provinces



Senior Quality Assurance Officer, Sarah Mumba (2nd from right) with management from Instituto Nacional de Normalização e Qualidade (INNOQ), Mozambique during a company visit at Big Tree Beverages

c. College Lecturers

During the World Standards Day Commemoration, the Bureau dedicated time to interact with Environmental Health students from Evelyn Hone College and third year students at the Natural Resources Development College (NRDC). ZABS presented a lecture on the economic and societal benefits of standards, as well as the environmental advantages in terms of sustainability and reduced environmental impact. A combined total of 180 students attended the lectures.



Standards Development Officer Chikoma Mwansa interacting with Environmental Health students at Evelyn Hone College, at a sensitization lecture



Choolwe Mutelo, Standards Development Officer, giving a lecture on standards to NRDC students at a sensitization lecture

d. Collaborations

ZABS is collaborating with key cooperating partners and National Standards Bodies (NSBs) within the region. These partnerships are intended to facilitate information exchange, mutual recognition of standards and testing and certification procedures and strengthen regional cooperation in standardisation efforts. The following are some of the partnerships established in the year under review and those that are in the process;

i. Solidaridad and ZABS

Solidaridad has partnered with ZABS in the development of Local Good Agricultural Practices (Local GAP) standards, as part of the AFRICA FOODS project. These standards play a crucial role in not only encouraging farmers to adopt sustainable and best agricultural practices but also in ensuring the safety and suitability of farm produce for both local and international markets.



Mr. Nathan Sing'ambwa (centre), alongside the management team of ZABS with Solidaridad Country Manager Ms. Sheila Garakara (second from right) and Project Manager Mr. Friday Siwale.

ii. Angola National Institute of Quality Infrastructure (INIQ) and ZABS

In January 2023, the Zambia Bureau of Standards (ZABS) and the Angola National Institute of Quality Infrastructure (INIQ) signed a Memorandum of Understanding in Luanda, Angola. The MoU aims to bolster collaboration between the two institutions in standardization, conformity assessment, and training activities, with the goal of fostering increased trade between Zambia and Angola.



ZABS Executive Director Mr. Nathan Sing'ambwa and INIQ Executive Director Ms. Olga Dicamba signed an MoU in Luanda Angola. The signing ceremony was witnessed by His Excellencies President Hakainde Hichilema and his Angolan Counterpart President Joao Manuel Goncalves Lourenco

iii. Namibian Standards Institution (NSI) and ZABS

The Bureau and the Namibian Standards Institution reaffirmed their commitments to areas of Standardization and Quality Assurance services by signing a revised MoU on 5th September, 2023 in Lusaka.



Dr Eino Mvula Chief Executive Officer of the Namibian Standards Institution shakes hands with Mr. Nathan Sing'ambwa Executive Director for ZABS at the MoU handover ceremony in Lusaka

iv. Exchange programme with Instituto Nacional de Normalização e Qualidade (INNOQ) and ZABS

In October 2023, a delegation from the Instituto Nacional de Normalização e Qualidade (INNOQ) in Mozambique traveled to Zambia to meet with the National Quality Infrastructure Institutions, Which include the Zambia Bureau of Standards (ZABS), the Zambia Compulsory Standards Agency (ZCSA), and the Zambia Metrology Agency (ZMA). The visit was part of an exchange program aimed at, among other objectives, gaining a comprehensive understanding of each other's capabilities in the field of standardization. The INNOQ delegation was led by their Director General Mr. Geraldo Luisa Albasini



The Management of INNOQ and ZABS led by Director General Mr. Geraldo Luisa Albasini and Executive Director Nathan Sing'ambwa pose for a group photo

v. South Africa Bureau of Standards and ZABS

The South Africa Bureau of Standards (SABS) and the Zambia Bureau of Standards (ZABS) joined forces through signing a Memorandum of Understanding (MoU) on standards collaboration. This MoU was signed during the benchmarking visit to SABS by management and the Boards from ZABS, ZCSA, and ZMA. Mr. Mafwo Seulu, Vice Chairperson of the ZABS Board, and Executive Director Mr. Nathan Sing'ambwa represented ZABS and signed the MoU.



The two Heads of the institution (SABS and ZABS) signing the MoU in Pretoria South Africa as Board Vice Chairperson Mr Mafwo Seulu looks on.

e. Special Events

a. Accreditation Certificate Handover Ceremony

ZABS received accreditation for its certification services from the Southern African Development Accreditation Services (SADCAS). The certificate handover ceremony took place at the Sarovar Hotel, where Dr. Eve Gadzikwa, the Executive Director of SADCAS, officially presented the certificates to the Permanent Secretary in the Ministry of Commerce Trade and Industry Mr. John Mulongoti.



Ministry of Commerce Trade and Industry PS - Investment and Industrialisation Mr. John Mulongoti, together with SADCAS Executive Director Dr. Eve Gadzikwa holding up the accreditation certificate during the handover ceremony

b. Launch of the 2022-2026 ZABS Strategic Plan

The launch of the 2022-2026 ZABS Strategic Plan took place at the Urban Hotel in Lusaka. The event was graced by Hon. Peter Kapala, M.P., Acting Minister of Commerce, Trade and Industry. The Strategic Plan provides a framework for ZABS to strategically fulfill its mandate and become an institution that continuously improves its performance and service delivery so as to meet the expectations of its stakeholders.



Acting Minister of Commerce Eng. Peter Kapala (left) unveils the 2022-2026 Strategic Plan for ZABS alongside Board Chairperson Mr Nyondo and Executive Director Mr. Sing'ambwa

c. The Proudly Zambian Quality Awards

In the year under review, the Zambia Bureau of Standards and the Zambia Association of Manufacturers (ZAM) successfully co-hosted the 8th Proudly Zambian Quality Awards (ZAQA) and Manufacturers Gala, an event that recognizes and celebrates the strides that businesses, manufacturers, service providers, and individuals are making as they align their operations in accordance with national, regional and international quality requirements and standards.

The event was graced by Her Honour the Vice President of the Republic of Zambia Mrs. Mutale Nalumango. Also in attendance was the Minister of Commerce Trade and Industry Hon. Chipoka Mulenga, Lusaka Provincial Minister Mrs. Sheal Mulyata, Lusaka Deputy Mayor Ms. Ketty Nanyangwe, other Senior Government officials and the Board of Directors for ZABS.



Her Honour the Vice President of Zambia Mrs. Mutale Nalumango shares a light moment with HNM Limited Chief Executive Officer Hellen Mwamba during the prize giving at the ZAQA



The Boards for the Zambia Association of Manufacturers (ZAM) and the Zambia Bureau of Standards (ZABS), USAID and ZATP pose for a photo with Her Honour the Vice President Mrs Mutale Nalumango

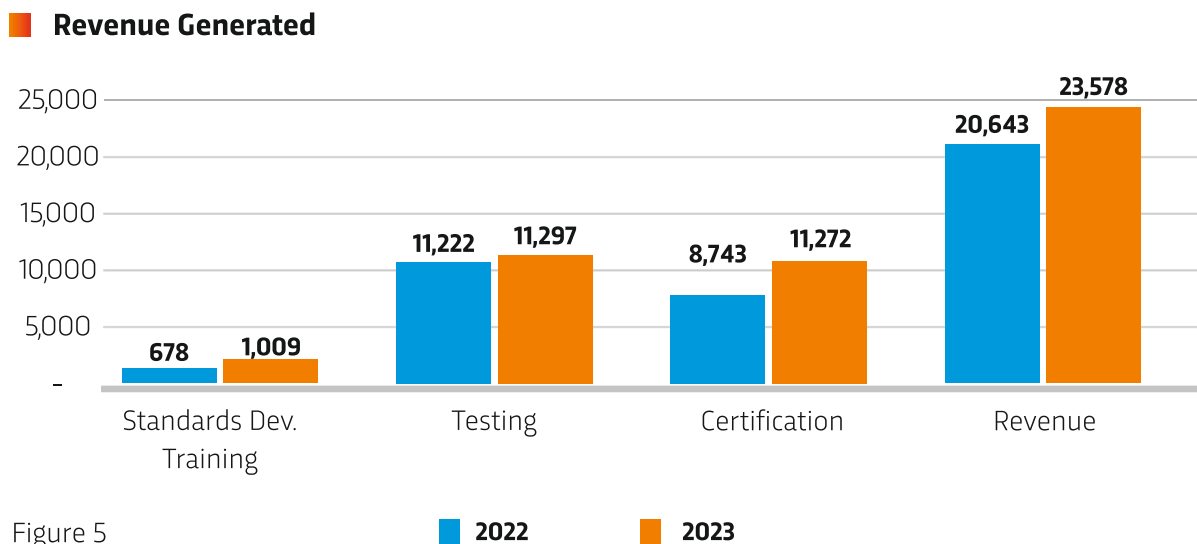
Financial Review



6.0 Financial Review

The financial performance report for the Zambia Bureau of Standards (ZABS) indicates that during the reporting period, the organization generated and deposited ZMW 23.58 million in Non-tax revenue into the Government transit Account. However, this amount fell short of the targeted figure for the period, which was set at ZMW 36.57 million.

Despite not meeting the target, the 2023 non-tax revenue of ZMW 23.58 million showed an increase compared to the actual revenues of 2022. There was a 14.22% increase over the 2022 actual revenues, indicating a positive growth trend. Furthermore, the 2023 Non-tax revenue target was set at 10.02% higher than the 2022 actual revenues, highlighting the improvement in financial performance. The following figure illustrates the revenue generated from the sale of standards, provision of training, testing, and certification services to industry.



In pursuit of Strategic Objective No. 2 outlined in the Strategic Plan, the successful implementation of planned programs stands as a critical determinant of the institution's financial performance. The Bureaus' commitment to achieving high performance in 2023 and beyond is underscored by its focus on enhancing resource mobilization, aiming to secure adequate funds for the effective execution of planned activities.

Throughout the review period, the institution received a total of ZMW 36.90 million from the Government as Appropriation in Aid, supplemented by ZMW 3.58 million in income categorized as other income and funds from cooperating partners. However, it is worth noting that the total expenditure for the same period amounted to ZMW 48.17 million. Despite this financial dynamic, the Finance section demonstrated prudent management of the Bureaus' financial resources, ensuring that activities remained in line with the approved budget.

For a more comprehensive overview of the financial performance in 2023, find below the Audited Financial Report.

Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

**Zambia Bureau of Standards
Corporate and Administration Information
for the year ended 31 December 2023**

Board members

Mr. Mbohe Calvet Nyondo	-	Chairperson
Mr. Mafwo Harrison Seulu	-	Vice Chairperson
Mrs. Fronscen Haloba Chisanga	-	Member
Mr. Musyani Siwelwa	-	Member
Dr. Beatrice Botha	-	Member
Mr. Trust Mufune	-	Member
Ms. Mariah Mulenga	-	Member

Administration

Mr. Nathan Sing'ambwa	-	Executive Director (From 1 July 2023)
Mr. Nathan Sing'ambwa	-	Acting Executive Director (Until 31 June 2023)
Mrs. Belinda Kancheya	-	Director Technical Services (From 1 May 2023)
Mrs. Belinda Kancheya	-	Standards Development and Training Manager (Until 5 April 2023)
Mr. Alex Mubita	-	Director Finance and Corporate Services (From 6 November 2023)
Mr. Alex Mubita	-	Finance Manager (Until 5 November 2023)
Mr. Vincent Numbwa	-	Board Secretary (From 1 April 2023)
Mr. Vincent Numbwa	-	Internal Audit Manager (Until 31 March 2023)
Mr. Dickson Chisengalumbwe	-	Laboratories Manager (From 30 October 2023)
Mr. Andrew Chipongo	-	Standards Development and Training Manager (From 1 June 2023)
Mr. Andrew Chipongo	-	Laboratories Manager (Until 31 May 2023)
Mr. Nteema Muzandu	-	Certification Manager

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 which 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 deficit for the year ended 31st December 2023 amounted to ZMW 7.7 million (2022: ZMW 0.192).

(b) Income

Total incoming resources for the year amounted to ZMW 40.1 million (2022: ZMW 37.58 million).

(c) Expenditure

Expenditure totalled ZMW 48.12 million (2022: ZMW 37.72 million).

The main operating costs were: Costs of personnel ZMW 28.5 million (2022: 24.6 million), recurrent expenditures ZMW 12.1 million (2022: ZMW 9.292 million), Depreciation ZMW 3.9 million (2022: ZMW 0.905 million) and amortisation ZMW 0.025 million (2022: ZMW 0.016 million),

(d) Capital Expenditure

Capital expenditure amounted to ZMW 7.35 million (2022: 2.2 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 as a result 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 52 to 56.

(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 57 to 60 in 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 operations of the Bureau is governed by the Board. 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 from 17th March,2023, the Minister of Commerce Trade and Industry appointed a new Board, since realignment of the operations of the Bureau, effective 1 January 2018.

Name	Position
Mbobe Calvert Nyondo	- Chairperson
Mafwo Harison Seulu	- Vice Chairperson
Fronscen Haloba Chisanga	Member
Musiyani Siwelwa	- Member
Dr. Beatrice Botha	- Member
Trust Mufune	- Member
Mariah Mulenga	- Member

9. Executive Management

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

Nathan Sing'ambwa	- Executive Director appointed on 01.07.23
Nathan Sing'ambwa	- Acting Executive Director up to 31.06.2023
Belinda Kancheya	- Director–Technical Services appointed on 01.05.2023
Belinda Kancheya	- Standards Manager up to 31.04.2023
Alex Mubita	- Director–Finance & Corporate Services appointed on 06.11.2023
Alex Mubita	- Finance Manager up to 05.11.2023
Vincent Numbwa	- Board Secretary appointed on 01.04.2023
Vincent Numbwa	- Internal Audit Manager up to 31.03.2023
Andrew Chipongo	- Standards Development & Training Manager appointed on 01.06.2023
Andrew Chipongo	- Laboratories Manager up to 31.05.2023
Nteema Muzandu	Certification Manager
Dickens	Laboratories Manager (From 30.10.2023)
Chisengalumbwe	

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. The Scheme is administered by a separate Board of trustees.

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 2023, and statements of Surplus or Deficit 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.

Nothing has come to the attention of the Board members to indicate that the Zambia Bureau of Standards will not remain a going concern for at least twelve months from the date of the statement of the financial position.

Approval of the financial statements

The financial statements of the Bureau as indicated below, were approved by the Board on and are signed on its behalf by:

Board Chairperson

Executive Director

_____ 2024

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 2023, 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 2023 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 controls 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 2023 have been properly prepared in accordance with the Standards Act, No. 4 of 2017, the accounting, and other records and registers have been properly kept in accordance with the Act.

Mark Daniels
Chartered Accountants
Lusaka

_____ **2024**

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

_____ **2024**

Statement of surplus /deficit

	Notes	2023 ZMW	2022 ZMW
Income			
Appropriation in aid	8(a)	36,897,175	35,822,500
Capital grant	8(a)	2,174,436	796,915
Deferred income	8(a)	1,009,901	803,757
Other income	8(a)	57,431	156,912
		<u>40,138,943</u>	<u>37,580,084</u>
Expenditure			
Costs of certification and testing	10(c)	3,333,966	2,504,466
Costs of income generating activities	10(c)	163,204	332,830
Costs of personnel	10(c)	28,560,470	24,676,415
Recurrent expenditure	10(c)	12,127,622	9,292,556
		<u>44,185,262</u>	<u>36,806,267</u>
Net Surplus/Deficit before Depreciation/Amortisation		(4,046,319)	773,817
Amortisation	10(c)	25,683	16,637
Depreciation	10(c)	3,904,638	904,740
		<u>3,930,321</u>	<u>921,377</u>
Deficit from continuing operations		(7,976,640)	(147,560)
Other gains	10(b)	61,055	120,621
Finance costs	10(d)	(52,731)	(49,294)
Other comprehensive income			
Amortisation of revaluation reserve		<u>273,469</u>	<u>268,508</u>
Total comprehensive deficit for the year		<u>(7,694,847)</u>	<u>192,275</u>

Statement of financial position

	Notes	2023 ZMW	2022 ZMW
ASSETS			
Non-current assets			
Property, plant and equipment	12(a)	40,202,735	19,139,893
Intangible assets	12(b)	91,492	62,679
		<u>40,294,227</u>	<u>19,202,572</u>
Current assets			
Other financial assets at amortised cost	11(a)	12,535,087	560,370
Cash and cash equivalents	11(b)	2,467,106	5,328,451
		<u>15,002,193</u>	<u>5,888,821</u>
Total assets		<u>55,296,420</u>	<u>25,091,393</u>
FUNDS AND LIABILITIES			
Non-current liabilities			
Deferred income	12(c)	837,044	2,692,480
		<u>837,044</u>	<u>2,692,480</u>
Current liabilities			
Trade and other payables	11(c)	15,698,351	11,785,196
Employee benefit obligations	12(d)	2,263,435	1,289,196
		<u>17,961,786</u>	<u>13,074,392</u>
FUNDS			
Capital grants	13(a)	7,237,036	1,921,024
Revaluation reserves	13(b)	17,346,681	11,277,330
Revenue reserves	13(c)	11,913,873	(3,873,833)
		<u>36,497,590</u>	<u>9,324,521</u>
Total funds and liabilities		<u>55,296,420</u>	<u>25,091,393</u>

The notes on pages 45 to 67 form an integral part of these financial statements

The financial statements on pages 42 to 67 were approved by the Board

on _____ 2024 and signed on its behalf by:

 Board Chairperson

 Executive Director

Statement of changes in funds

	Capital grants ZMW	Revaluation reserves ZMW	Revenue reserves ZMW	Total ZMW
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	2,578,338	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
At 1 January 2023				
At the start of the year	1,921,024	11,277,330	(3,873,833)	9,324,521
Prior year adjustment	771,456	-	12,205,223	12,976,679
Restated balance	2,692,480	11,277,330	8,331,390	22,301,200
Capital grants amortised	(2,174,436)	-	-	(2,174,436)
Received during the year	6,718,992	-	-	6,718,992
Deficit for the year			(7,968,316)	(7,968,316)
Revaluation surplus	-	17,620,150		17,620,150
Other comprehensive income				
Transfers from revaluation reserves		(11,550,799)	11,550,799	-
Total comprehensive income		6,069,351	3,582,483	9,651,834
Total changes in funds				
As at 31 December 2023	7,237,036	17,346,681	11,913,873	36,497,590

The notes on pages 45 to 67 form an integral part of these financial statements

Statement of cash flows

	Notes	2023 ZMW	2022 ZMW
Cash flow from operating activities			
(Deficit)/Surplus before taxation		(7,968,316)	(76,233)
Adjustments for:			
-Prior year adjustment			
-Amortisation of capital grants		(2,174,436)	(796,915)
-Deferred income released		(1,009,901)	(803,757)
-Amortisation of intangible assets		25,683	16,637
-Depreciation		3,904,638	904,740
-Interest received		(37,114)	(65,569)
-(profit)/Loss on disposal of Assets		47,668	(130,356)
Changes in operating assets and liabilities			
-Decrease/(Increase) in trade receivables		(11,974,717)	755,268
-Increase/(Decrease) in payables		4,887,393	1,042,644
Cash generated from operations		<u>14,299,101</u>	<u>846,459</u>
Cash flows from Investing activities			
Purchase of property, plant and equipment	12	(7,347,237)	(2,212,781)
Purchase of Intangible Assets		(54,496)	(52,283)
Proceeds from sale of assets		8,429	-
Adjustments to fixed assets		(56,190)	-
Interest received		37,114	65,569
Net cash (used on)/from investing activities		<u>7,412,380</u>	<u>(2,047,200)</u>
Cash flows from financing activities			
Deferred income received		6,644,913	514,334
Movement in Revenue Reserves		12,205,223	-
Net cash from financing activities		<u>18,850,136</u>	<u>514,334</u>
Decrease/(increase) in cash and cash equivalents		(2,861,345)	(686,405)
Opening cash and cash equivalents		5,328,451	6,014,856
Closing cash and cash equivalents	11	<u>2,467,106</u>	<u>5,328,451</u>
Represented by:			
Cash in hand and at bank	11	<u>2,467,106</u>	<u>5,328,451</u>
		2,467,106	5,328,451

The notes on pages 45 to 67 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 2023

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023.

Title	Key requirements	Effective date*
IFRS 17 <i>Insurance Contracts</i>	<p>The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers.</p> <p>In contrast to the requirements in IFRS 4, which were largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:</p> <ul style="list-style-type: none"> • A specific adaptation for contracts with direct participation features (the variable fee approach) • A simplified approach (the premium allocation approach) mainly for short-duration contracts <p>The main features of the new accounting model for insurance contracts are as follows:</p> <ul style="list-style-type: none"> • The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cashflows) • A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profit of the insurance contracts to be recognised in profit or loss based on insurance contract services provided over the coverage period • Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining coverage period. 	1 January 2023

Notes (continued)

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

(a) New standards and amendments-applicable 1 January 2023

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023.

Title	Key requirements	Effective date*
IFRS 17 Insurance Contracts (continued)	<ul style="list-style-type: none"> • The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice • The presentation of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period 	1 January 2023
	<ul style="list-style-type: none"> • Amounts that are paid to a policyholder in all circumstances, regardless of whether an insured event occurs (non-distinct investment components) are not presented in the income statement, but are recognised directly on the balance sheet • Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense • A loss-recovery component of the asset for the remaining coverage of a group of reinsurance contracts held is determined and recorded in profit or loss when an entity recognises a recovery of a loss on initial recognition of an onerous group of underlying issued contracts as well as for subsequent measurement of the recovery of those losses • Entities should present separately in the statement of financial position, the carrying amounts of portfolios of insurance contracts issued that are assets and those that are liabilities, with the same requirement applying to portfolios of reinsurance contracts held • Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts 	

Notes (continued)

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

(a) New standards and amendments-applicable 1 January 2023

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023.

Title	Key requirements	Effective date*
<p>Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statements 2</p>	<p>In February 2021, the Board issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.</p> <p>The amendments aim to help entities provide accounting policy disclosures that are more useful by:</p> <ul style="list-style-type: none"> • Replacing the requirement for entities to disclose their ‘significant accounting policies’ with a requirement to disclose ‘material accounting policy information’ and • Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures <p>Replacement of the term ‘significant’ with ‘material’</p> <p>In the absence of a definition of the term ‘significant’ in IFRS, the Board decided to replace it with ‘material’ in the context of disclosing accounting policy information. ‘Material’ is a defined term in IFRS and is widely understood by the users of financial statements, according to the Board.</p> <p>In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and their nature.</p> <p>Disclosure of standardised information</p> <p>Although standardised information is less useful to users than entity-specific accounting policy information, the Board agreed that, in some circumstances, standardised accounting policy information may be needed for users to understand other material information in the financial statements. In those situations, standardised accounting policy information is material, and should be disclosed.</p>	<p>1 January 2023</p>

Notes (continued)

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

(a) New standards and amendments-applicable 1 January 2023

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023.

Title	Key requirements	Effective date*
<p><i>Definition of Accounting Estimates - Amendments to IAS 8</i></p>	<p>In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'.</p> <p>The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.</p> <p>Changes in accounting estimates</p> <p>The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.</p> <p>The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors.</p>	
<p><i>Deferred Tax related to Assets and Liabilities arising from Single Transaction-Amendments to IAS 12</i></p>	<p>In May 2021, the Board issued amendments to IAS 12 <i>Income Taxes</i>, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.</p> <p>Determining the tax base of assets and liabilities</p> <p>The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.</p>	

Notes (continued)

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

(a) New standards and amendments-applicable 1 January 2023

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023.

Title	Key requirements	Effective date*
<p><i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> – <i>Amendments to IAS 12 (continued)</i></p>	<p>Changes to the initial recognition exception</p> <p>Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.</p> <p>Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.</p> <p>Transition</p> <p>An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations.</p>	<p>1 January 2023</p>
<p><i>International Tax Reform- Pillar two Model Rules</i> – <i>Amendments to IAS 12</i></p>	<p>The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organisation for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as ‘Pillar Two legislation’ and ‘Pillar Two income taxes; respectively.</p>	

Notes (continued)

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

(a) New standards and amendments-applicable 1 January 2023 (continued)

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023

Title	Key requirements	Effective date*
Classification of liabilities as Current or Non-Current Liabilities with Covenants – Amendments to IAS 1	<p>In January 2020 and October 2022, the Board issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:</p> <ul style="list-style-type: none"> • What is meant by a right to defer settlement • That a right to defer settlement must exist at the end of the reporting period. • That classification is unaffected by the likelihood that an entity will exercise its deferral right. • That only if an embedded derivative in a convertible liability is itself an equity instrument would the term of a liability not impact its classification. • Disclosures 	1 January 2023

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 which 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*
<i>Lease Liability in a Sale and Leaseback – Amendments to IFRS 16</i>	The amendment to IFRS 16 <i>Leases</i> specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.	1 January 2024
<i>Disclosures: Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7</i>	<p>In May 2023, the Board issued amendments to IAS 7 <i>Statement of Cash Flows</i> and IFRS 7 <i>Financial Instruments: Disclosures</i>.</p> <p>The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.</p> <p><i>Characteristics</i></p> <p>The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.</p> <p><i>Disclosure requirements</i></p> <p>The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.</p>	

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 either be recorded in 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 as a result 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:

	2023	2022
	ZMW	ZMW
Cash and cash equivalents	2,467,106	5,328,451
Other financial assets at amortised cost	<u>12,535,087</u>	<u>560,370</u>
	<u>15,002,193</u>	<u>5,888,821</u>

The bank accounts are held with reputable banks.

(ii) Impairment losses

The aging of other financial assets at amortised cost at the reporting date was:

31 December 2022	Current	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
Gross carrying amount – other financial assets		12,535,087				12,535,087
Loss allowance						
		<u>12,535,087</u>				<u>12,535,087</u>
31 December 2021	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	-					
	-	<u>560,370</u>				<u>560,370</u>

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 2023

	Carrying amount ZMW	Contractual cash flows ZMW	Within 1 year ZMW	1-2 years ZMW	2-5 years ZMW	Longer than 5 years ZMW
Financial liabilities						
Trade payables	1,772,802	1,772,802	1,772,802			
Other payables	16,188,984	16,188,984	16,188,984			
Total	17,961,786	17,961,786	17,961,786			

31st December 2022

	Carrying amount ZMW	Contractual cash flows ZMW	Within 1 year ZMW	1-2 years ZMW	2-5 years ZMW	Longer than 5 years 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			

(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 Bureau's 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:

2023	Kwacha Equivalent of FC balances	10% FC	Net amount FC
Cash and cash equivalents	36,544	3,654	32,890
Net exposure	36,544	3,654	32,890

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

Kwacha	Reporting Date Spot rate	
	2023	2022
US\$ 1	25.69	18.0739

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
31 st December 2023	61,055

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.

	2023	2022
	ZMW	ZMW
8. (a) Income		
Appropriation in aid	36,897,175	35,822,500
Capital grants released	2,174,436	796,915
Deferred income	1,009,901	803,757
Non-operating income	57,431	156,912
	<u>40,138,943</u>	<u>37,580,084</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

Sundry income	<u>57,431</u>	<u>156,912</u>
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Notes (continued)

	2023 ZMW	2022 ZMW
10. (b) Other gains and losses		
Net exchange gains	<u>61,055</u>	<u>120,621</u>
	<u>61,055</u>	<u>120,621</u>
10. (c) Breakdown of expenses by nature		
Costs of certification and testing	3,333,966	2,504,466
Costs of income generating activities	163,204	332,830
Costs of personnel	28,560,470	24,676,415
Amortisation of intangible assets	25,683	16,637
Depreciation	3,904,638	904,740
Recurrent expenditure	<u>12,127,622</u>	<u>9,292,556</u>
	<u>48,115,583</u>	<u>37,727,644</u>
10. (d) Financial costs and incomes		
Financial income		
Interest income from financial assets held for cash management purposes	37,114	65,570
Financial costs		
Interest and finance charges paid	<u>(52,731)</u>	<u>(49,294)</u>
Net finance income/(costs)	<u>(15,617)</u>	<u>16,276</u>

11. Financial assets and financial liabilities

This note provides information about the Bureau's financial instruments, including: an overview of all financial instruments held by the Bureau specific information about each type of financial instrument accounting policies information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

	2023 ZMW	2022 ZMW
Financial assets		
Financial assets at amortised cost		
Other financial assets at amortised cost	12,535,087	560,370
Cash and cash equivalents	<u>2,467,106</u>	<u>5,328,451</u>
	<u>15,002,193</u>	<u>5,888,821</u>
Liabilities at amortised cost		
Trade and other payables	<u>17,961,785</u>	<u>13,074,392</u>

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

	2023 ZMW	2022 ZMW
Other receivables	12,535,087	560,370
Less:		
Provision for impairment losses	-	-
	<u>12,535,087</u>	<u>560,370</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

	2023 ZMW	2022 ZMW
Cash in hand and at bank	2,467,106	5,328,451
Short term deposits with commercial banks	-	-
	<u>2,467,106</u>	<u>5,328,451</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:

Balances as above	2,467,106	5,328,451
Bank overdrafts	-	-
Balances per statement of cash flows	<u>2,467,106</u>	<u>5,328,451</u>

Notes (continued)

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

2023	2022
ZMW	ZMW

11. (c) Trade and other payables

Current liabilities

Trade payables	1,772,802	54,837
Sundry Payables, Accruals & Provisions	16,188,984	13,019,555
	<u>17,961,786</u>	<u>13,074,392</u>

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

Notes (continued)

12. (a) Property, plant and equipment

(a) Summary

Cost/valuation	Land & Buildings ZMW	Motor Vehicles ZMW	Laboratory Equipment ZMW	Fixtures & office equipment ZMW	Total ZMW
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
At 1 January 2023	15,290,159	5,253,392	28,495,152	4,843,467	53,882,170
Additions	-	74,000	6,784,362	488,875	7,347,237
Revaluation	14,913,841	56,190	-	-	14,970,031
Disposal	-	(56,190)	-	-	(56,190)
Elimination on revaluation	-	(337,810)	-	-	(337,810)
At 31 December 2023	30,204,000	4,989,582	35,279,514	5,332,342	75,805,438
Depreciation					
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	2,452,640	3,834,363	25,172,388	3,282,886	34,742,277
At 1 January 2023	2,452,640	3,834,363	25,172,388	3,282,886	34,742,277
Charge for the year	354,116	479,514	2,211,820	859,188	3,904,638
Disposals	-	(93)	-	-	(93)
Elimination on revaluation	(2,706,309)	337,810	-	-	(3,044,119)
At 31 December 2023	100,447	3,975,974	27,384,208	4,142,074	35,602,703
Net book value					
At 31 December 2023	30,103,553	1,013,608	7,895,306	1,190,268	40,202,735
At 31 December 2022	12,837,519	1,419,029	3,322,764	1,560,581	19,139,893

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:

	2023	2022
Land and buildings	ZMW	ZMW
Cost	2,165,764	2,165,764
Accumulated depreciation	<u>(173,261)</u>	<u>(129,945)</u>
Net book value	<u><u>1,992,503</u></u>	<u><u>2,035,819</u></u>

12. (b) Intangible asset

Cost/valuation

At 1 January	731,239	678,956
Additions	<u>54,496</u>	<u>52,283</u>

At 31 December	<u><u>785,735</u></u>	<u><u>731,239</u></u>
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Amortisation

At 1 January	668,560	651,923
Charge for the year	<u>25,683</u>	<u>16,637</u>

At 31 December	<u><u>694,243</u></u>	<u><u>668,560</u></u>
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Net book value	<u><u>91,492</u></u>	<u><u>62,679</u></u>
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Notes (continued)

	2023	2022
	ZMW	ZMW
12. (c) Deferred income		
At beginning of the year	2,692,480	3,100,269
Prior year	(771,456)	21,233
Received during the year	98,196	374,735
Transfer to capital grant	(172,276)	-
Deferred income released	<u>(1,009,901)</u>	<u>(803,757)</u>
At end of the year	837,043	2,692,480

These funds were received from Zambia Agribusiness Trade Project (ZATP), Lobito Corridor 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.

12. (d) Employee benefit obligations

Current liability		
Provision for gratuity	2,263,435	1,289,196
	<u>2,263,435</u>	<u>1,289,196</u>

13. (a) Capital grants

At beginning of the year	1,921,024	2,599,571
Received during the year	6,718,992	139,600
Prior Year	771,456	-
Capital grants amortised	<u>(2,174,436)</u>	<u>(796,915)</u>
At end of the year	7,237,036	1,921,024

13. (b) Revaluation reserves

At beginning of the year	11,277,330	11,545,838
Revaluation surplus	17,620,150	-
Realisation of revaluation reserves	<u>(11,550,799)</u>	<u>(268,508)</u>
At end of the year	17,346,681	11,277,330

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

	2023	2022
	ZMW	ZMW
At beginning of the year	(3,873,833)	(4,066,108)
Prior year adjustment	12,205,223	-
Deficit for the year	(7,968,316)	(76,233)
Realisation of revaluation reserves	<u>11,550,799</u>	<u>268,508</u>
At end of the year	<u>11,913,873</u>	<u>(3,873,833)</u>

The Revenue reserves account represents the accumulation of annual surpluses/deficits. Accumulated funds have significantly increased from a deficit of ZMW 3,873,833 (FY2022) to a positive balance of ZMW 11,913,873 owing prior to the reported deficit of ZMW 7,968,316 recorded during the year ended 31st December 2023.

14. Related parties

(a) Identity of related parties

The Bureau has a common enterprise relationship with Government of the Republic of Zambia, the Board of directors and 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 2023, a new Board of directors was appointed.

(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)

	2023 ZMW	2022 ZMW
Government Funding received	<u>36,897,175</u>	<u>35,822,500</u>
Board Expenses	<u>2,224,143</u>	<u>-</u>
Key management remuneration	<u>2,634,768</u>	<u>3,839,509</u>

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 (2022: 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.

Appendix I

Recurrent expenditure

	2023	2022
	ZMW	ZMW
Audit services	69,600	69,600
Cleaning materials and expenses	281,211	242,329
Commemorative events	159,311	106,862
Electricity	209,142	201,420
Entertainment	31,500	27,000
Fuel and lubricants	717,127	457,971
Insurance	262,741	278,389
Lunch allowances	27,700	25,385
Marketing and public relations expenses	1,299,228	597,495
Office and meeting expenses	219,414	180,592
VAT on sales write off	-	2,280,880
Postage, post box rentals and courier services	156,626	68,300
Printing & stationery	448,570	474,003
Protective clothing & uniforms	44,650	46,930
Recruitment expenses	77,529	58,040
Rent and rates	64,760	64,760
Renewal of payroll package licences	100,348	291,990
Repairs and maintenance-buildings	230,577	242,353
Repairs and maintenance-equipment	1,229,378	319,291
Repairs and maintenance-motor vehicles	278,650	238,536
Road taxes – motor vehicles	-	7,243
Security services	219,368	177,372
Staff training & development study tours	251,143	239,194
Staff welfare	160,887	128,176
Fees for subscriptions	869,471	575,629
Subsistence allowances-local	531,611	596,394
Subsistence allowances-foreign	783,825	244,426
Telephone, fax, email	271,177	290,015
Travel expenses-foreign	514,594	257,259
Travel expenses-local	58,500	18,722
Water and sewerage	36,276	20,384
Workshop expenses	285,035	465,616
Board Expenses	2,224,143	-
Newspapers & Communications	13,530	-
Total recurrent expenditure	12,127,622	9,292,556



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