



PATENTS AND COMPANIES
REGISTRATION AGENCY

ANNUAL REPORT



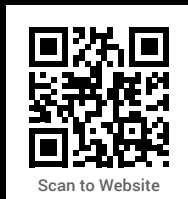
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PATENTS AND COMPANIES REGISTRATION AGENCY

2024 ANNUAL REPORT

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ACRONYMS

ARIPO	African Regional Intellectual Property Organisation
BO	Beneficial Ownership
CSR	Corporate Social Responsibility
EUIPO	European Union Intellectual Property Office
FATF	Financial Action Task Force
ICT	Information Communication Technology
IMF	International Monetary Fund
IEC	Information, Education, Communication
INTA	International Trademarks Association
MCTI	Ministry of Commerce Trade and Industry
MoU	Memorandum of Understanding
MPRS	Movable Property Registry System
PACRA	Patents and Companies Registration Agency
UNZA	University of Zambia
USAID	United States Agency for International Development (USAID)
UPOV	International Union for the Protection of New Varieties of Plants
USAID	United States Agency for International Development
WIPO	World Intellectual Property Organisation
ZATI	Zambia Accelerating Transparency and Integrity



PACRA has a zero tolerance to corruption

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A modern conference room with a long, dark blue table and several blue leather chairs. The room has large windows on the left and a blue wall with a large screen on the right. The text "MESSAGE BY THE BOARD CHAIRPERSON" is overlaid on the image.

MESSAGE BY THE BOARD CHAIRPERSON

MESSAGE BY THE BOARD CHAIRPERSON



“ A key highlight of 2024 was our exceptional financial performance where the Agency exceeded its annual non-tax revenue target by 40%. ”

As we reflect on the achievements of 2024, I am pleased to announce that our collective efforts and dedication have yielded commendable performance with remarkable milestones which demonstrate our unwavering commitment to fostering entrepreneurship, innovation and creativity and economic growth through the effective business formalisation and intellectual property protection services.

A key highlight of 2024 was our exceptional financial performance where the Agency exceeded its annual non-tax revenue target by 40%. This achievement reflects the Agency's commitment to supplement Governments' efforts to increase non-tax revenue mobilisation.

The achievement in non-tax revenue collection was as a result of our sustained growth in registrations, particularly in business registrations where we have continued to witness growth from year to year. In 2024 a total of 53,328 businesses were registered against the set target of 52,895. Increased business formalisation such as this, where more informal businesses become registered and compliant, leads to increased

job creation and expands the tax revenue base for the Government, and at the same time provides entrepreneurs with opportunities for access to finance and larger markets. This highlights the critical role that the Agency plays not only in promoting a conducive environment for business but also in the overall economic growth of the country.

To promote transparency in corporate structures, the Agency sought Cabinet approval to amend the Companies Act with the objective of enhancing provisions aimed at enhancing disclosure of beneficial ownership information. This is particularly important for combating money laundering and terrorist financing. In the coming year, the Agency will focus on mobilising stakeholder engagement and ensure necessary amendments are passed by Parliament.

At the corporate level the Board approved some institutional

policies aimed at enhancing staff welfare while promoting integrity, accountability and transparency. One of the key policies is a Whistleblower Policy which is intended to encourage individuals, internally and externally, to report wrongdoing or illegal activities that they have witnessed or encountered in their interaction with the Agency.

While we reflect on our achievements, we acknowledge the ongoing challenges and the work ahead. The challenges we face are opportunities for growth, and I am confident that with the continued support of the stakeholders, the Agency is optimistic that the challenges will be addressed.

We are confident that we are well positioned to navigate the evolving business landscape and achieve our strategic objectives in the years to come.

A handwritten signature in black ink, appearing to read 'Allan Mwaba', written over a horizontal line.

Mr. Allan Chungu Mwaba
BOARD CHAIRPERSON

A photograph of a modern office interior. In the foreground, a black leather office chair with a silver five-star base and casters is positioned on a polished wooden floor. Behind the chair is a wooden desk with a glass top. On the desk, there is a black telephone, some papers, and a lamp with a white shade and a glass base. The background is a plain white wall. A blue vertical bar is on the left side of the image.

MESSAGE BY THE REGISTRAR AND CHIEF EXECUTIVE OFFICER

MESSAGE BY THE REGISTRAR AND CHIEF EXECUTIVE OFFICER



“The past year has been marked by significant achievements and transformative initiatives in our internal business processes and delivery of business and intellectual property registration services.”

It is with great pride and sense of accomplishment that I present the Annual Report of the Patents and Companies Registration Agency (PACRA) for the year 2024. This report highlights the Agency's achievements and adaptability in the face of challenges faced in its operations in the year 2024.

The past year has been marked by significant achievements and transformative initiatives in our internal business processes and delivery of business and intellectual property registration services. Guided by our vision of being an innovative customer-centered business and intellectual property registration Agency, we have continued to streamline our processes, enhance our services and strengthen our partnerships with local and international stakeholders.

Digital Transformation

In line with the Government Digitisation Agenda, we embarked on an ambitious journey to cut down on administrative costs by our resolve to transform the Agency into a complete paperless office. In addition to the

many other processes that we have automated over the years, the Agency proudly deployed the Athena Document Management System, an internally developed, state-of-the-art solution designed to enhance operational efficiency and modernise document handling. This has drastically reduced employee interaction with physical files or paper movements and further reduced our expenditure towards printing and stationery by a significant margin.

Further, we continued with our efforts to enhance our online registration platform by reducing processing time and improving user experience. Specifically, we successfully implemented an electronic stamping service for output documents generated through online services and developed and launched an online compliance self-assessment module on our portal, which enables users to evaluate the compliance status of their businesses with ease and convenience. These initiatives have resulted in an increased uptake of our online services with

over 87% of the total businesses registered in 2024 processed online.

As we continue to digitise our services, we remain aware of the growing cybersecurity threats that come with increased online presence. In this regard, we have strengthened our cybersecurity framework by implementing advanced security protocols, conducting regular vulnerability assessments, and enhancing staff awareness through targeted cybersecurity training. These measures are aimed at safeguarding sensitive data, ensuring service continuity, and maintaining the trust and confidence of our stakeholders in the digital environment.

Collaboration with Stakeholders

We have also strengthened our ties with cooperating partners, stakeholders and international and regional IP organisations and participated in key initiatives to harmonize and enhance standards in Intellectual Property and corporate governance.

We launched the Beneficial Ownership Transparency (BOT) project to enhance the Agency's capacity to collect, verify, and operationalise beneficial ownership information in Zambia in line with the Financial Action Task Force (FATF) standards.

Outreach and Publicity

In terms of public awareness, the Agency implemented various communication and outreach initiatives through which we were able to educate the business community, creators and the general public on the services provided by the Agency. We introduced, for example, a quarterly online Newsletter and

created a good number of 'How to Videos' which are posted on social media providing clients and the public easy steps on how to access our services.

Outlook for 2025

In the coming year, the Agency will focus on creating an IP ecosystem and business regulatory framework that are inclusive, efficient and forward-looking. We will continue to adapt to the ever-changing needs of our stakeholders, leveraging technology and innovation to deliver excellence in business and IP registration services.

I would like to express my

gratitude to our dedicated staff who have remained steadfast despite the many challenges the Agency has faced in meeting their demands and expectations. I also wish to thank our Board for their invaluable expertise and guidance which was instrumental in achieving the various milestones highlighted in this report.

Lastly, I extend my appreciation to the Ministry of Commerce, Trade and Industry (MCTI) and all our stakeholders and partners for their continued trust and collaboration.



Mr. Benson Mpalo
REGISTRAR AND CHIEF EXECUTIVE OFFICER



Courtesy is our core value. We are committed to maintaining a professional and polite demeanor at all times.

MESSAGE BY THE REGISTRAR AND
CHIEF EXECUTIVE OFFICER



ABOUT PACRA

TRADE
MARKS

1.0 ABOUT PACRA

The Patents and Companies Registration Agency (PACRA) herein after referred to as the “Agency” is a statutory body under the Ministry of Commerce, Trade and Industry. The Agency is established under the Patents and Companies Registration Agency Act, No. 4 of 2020. The principal mandate of the Agency is to provide business and intellectual property registration services. Additionally, the Agency is responsible for the management of the collateral registry as well as accreditation of insolvency practitioners.

1.1 VISION

An innovative customer-centered business and intellectual property registration Agency.

1.2 MISSION

To provide business and intellectual property registration services for economic growth and national development.

1.3 FUNCTIONS OF THE AGENCY

The functions of the Agency are to –

- i. Administer the Trade Marks Act No. 11 of 2023, the Copyright and Performance Rights Act Cap. 406, the Companies (Certificates Validation) Act Cap. 414, the Registration of Business Names Act No. 16 of 2011, the Moveable Property (Security Interest) Act No. 3 of 2016, the Layout-designs of Integrated Circuits Act No. 6 of 2016, the Protection of Traditional Knowledge, Genetic Resources and Expressions of Folklore Act No. 16 of 2016, the Industrial Designs Act No. 22 of 2016, the Patents Act No. 40 of 2016, the Corporate Insolvency Act No. 9 of 2017 and the Companies Act No.10 of 2017;
- ii. Receive and investigate complaints of alleged or suspected breach of the Acts referred to above and subject to the directives of the Director of Public Prosecutions, prosecute offences under those Acts, as the case may be.
- iii. Collect, collate and disseminate information on the law relating to the Acts referred to above;
- iv. Advise the Government on all matters pertaining to the Acts referred to above; and
- vi. Do all such other things as are necessary or incidental to the performance of its functions under the Patents and Companies Registration Agency Act.

1.4 SERVICES OFFERED BY THE AGENCY

The following are the services provided by the Agency:

- i. Registration of trademarks;
- ii. Granting of patents;
- iii. Registration of industrial designs;
- iv. Registration of copyright and related rights;
- v. Incorporation of companies;
- vi. Registration of business names;
- vii. Registration of security interests in movable assets;
- viii. Accreditation of corporate insolvency practitioners;
- ix. Registration of traditional knowledge, genetic resources and expressions of folklore; and
- x. Registration of layout designs of integrated circuits.

1.5 CORE VALUES

The Agency was guided by the following core values, in its quest to be effective in the delivery of its mandate:





Accountability is our core value. We are responsive, open and straightforward in our operations.



STATEMENT ON CORPORATE GOVERNANCE

2.0 STATEMENT ON CORPORATE GOVERNANCE

2.1 Governing Body

The governing body of the Agency is the Board constituted in accordance with Section 6 of the Patents and Companies Registration Act No. 4 of 2020 (PACRA Act). As a public institution, the Agency subscribes to tenets of good corporate governance.

The Agency is governed by a Board, comprising seven (7) members, who are appointed by the Minister of Commerce, Trade and Industry in line with the provisions of the PACRA Act. The Board is responsible for providing strategic policy direction to the Agency in accordance with the Act and the Board Charter.

2.2 Specific Functions of the Board

The PACRA Act outlines the specific functions of the Board as follows:

- i. Promote good governance of the Agency.
- ii. Formulate the policies, programmes and strategies of the Agency.
- iii. Approve the annual work plan and activity reports of the Agency.
- iv. Approve the annual budget estimates and financial statements of the Agency.
- v. Monitor and evaluate the performance of the Agency against budgets and plans.

2.3 Composition of the Board

The composition of the Board in the year under review was as follows:

Table 1-Composition of the Board

Name	Designation
Mr. Allan Chungu Mwaba	Chairperson
Mr. Blessed Nkunika	Vice Chairperson
Ms. Lois Kapeza	Member
Mrs. Margaret Moonga Chikuba	Member
Ms. Nalukena Mutti	Member
Mr. Mohammed Umar	Member
Mr. Mwelwa Chilundika	Member
Mr. Benson Mpalo	PACRA Registrar Chief Executive Officer (Ex-Officio)

BOARD MEMBERS



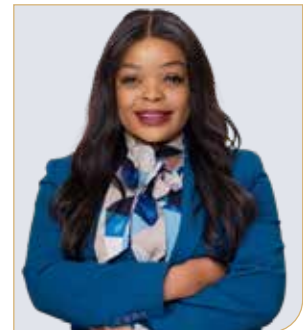
Mr. Allan Chungu Mwaba
Board Chairperson



Mr. Blessed Nkunika
Vice Board Chairperson



Mr. Mwelwa Chilundika
Member



Ms. Lois Kapeza
Member



Mr. Mohammed Umar
Member



Ms. Nalukena Mutti
Member



Mrs. Margaret Chikuba
Member



Mr. Dennis Kamfwa
**Acting Legal Counsel and
Board Secretary**

2.4 Committees of the Board

The following are the Committees of the Board established pursuant to section 11 of the Patents and Companies Registration Agency Act:

2.4.1 The Audit and Risk Management Committee

The functions of the Committee are to:

- i. Review internal controls, audit systems, risk management and governance policies.
- ii. Recommend the appointment of the Chief Internal Auditor to the Board.
- iii. Make recommendations to the Board in relation to the appointment of the external auditor.
- iv. Review the results on internal and external audits and the systems for ensuring compliance with laws and ethical standards and the results of managements investigations and follow up.
- v. Monitor the integrity of the financial statements of the Agency.
- vi. Monitor and review the effectiveness of the Agency's internal audit function.

The Committee is comprised of the following Members:

- i. Mr. Mwelwa Chilundika
- ii. Ms. Lois Kapeza
- iii. Mrs. Esther Chilonga Haamaundu
- iv. Mr. Edward Kabwe
- v. Mr. Roy Sikwibele

In the year under review, the Audit and Risk Management Committee held four (4) ordinary meetings. Another special joint meeting with the Finance and Projects Committee was held in the course of the year. The attendance was as shown in Table 2.

2.4.2 The Finance and Projects Committee

The functions of the Committee are to:

- i. Monitor and review the Agency's financial performance.
- ii. Review annual and supplementary budgets.
- iii. Review quarterly and annual financial reports and audited financial accounts.
- iv. Review the effectiveness of financial systems and the findings of regulatory agencies that impact financial matters.
- v. Accounting, financial management and investment policies and strategies and implementation guidelines.
- vi. Oversee the implementation of capital projects.

The Finance and Projects Committee held four (4) ordinary meetings and one (1) joint special meeting with the Audit and Risk Management Committee Meeting. The attendance was as shown in Table 2. The Committee is comprised of the following Members:

- i. Mr. Mohammed Umar
- ii. Mrs. Margaret Moonga Chikuba
- iii. Mrs. Clementina Namusokwe Mwelwa

2.4.3 The Administration and Operations Committee

The functions of the Committee are to -

- Review operational plans and provide strategic direction for the Agency.
- Monitor operational performance, review management reports and annual reports.
- Review the organisational structure, executive succession plans and staff conditions of service.
- Recommend the appointment of the Registrar and Chief Executive officer and senior management to the Board.
- Perform any other function related to the above.

The Administration and Operations Committee held four (4) ordinary meetings, and the attendance was as shown in Table 2. The Committee is comprised of the following Members:

- Mr. Blessed Nkunika
- Ms. Nalukena Mutti
- Mrs. Vivian Milumbe
- Mr. Mooka Silumbu
- Mr. Fredrick Mudenda

2.5 Meetings of the Board

During the year under review, each committee scheduled and held four meetings, and four board meetings were also scheduled. The table below shows a summary of the meetings held and the attendance for both the Board meetings and the Committee meetings.

Table 2-Meetings of the Board and Committees and Attendance

Board Meetings					
	NAMES	Scheduled ordinary Meetings	Meetings attended	Special Meetings	Meetings attended
1	Mr. Allan Chungu Mwaba	4	4	3	3
2	Mr. Blessed Nkunika	4	4	3	3
3	Ms. Lois Kapeza	4	4	3	3
4	Mrs. Margaret Moonga Chikuba	4	3	3	3
5	Ms. Nalukena Mutti	4	2	3	3
6	Mr. Mohammed Umar	4	4	3	3
7	Mr. Mwelwa Chilundika	4	4	3	3
Committee Meetings					
Audit and Risk Management Committee					
1	Mr. Mwelwa Chilundika	4	4	1	1
2	Ms. Lois Kapeza	4	4	1	1
3	Mrs. Esther Chilonga Haamaundu	4	4	1	1
4	Mr. Edward Kabwe	4	4	1	1
5	Mr. Roy Sikwibele	4	2	1	1
Finance and Projects Committee					
1	Mr. Mohammed Umar	4	4	1	1
2	Mrs. Margaret Moonga Chikuba	4	3	1	1
3	Mrs. Clementina Namusokwe Mwelwa	4	4	1	1
Administration and Operations Committee					
1	Mr. Blessed Nkunika	4	4	0	0

Board Meetings					
	NAMES	Scheduled ordinary Meetings	Meetings attended	Special Meetings	Meetings attended
2	Ms. Nalukena Mutti	4	2	0	0
3	Mrs. Vivian Milumbe	4	4	0	0
4	Mr. Mooka Silumbu	4	4	0	0
5	Mr. Fedrick Mudenda	4	3	0	0

2.6 Main Activities undertaken by the Board

In the year under review, the Board considered and approved the following policies:

2.6.1 Whistleblower Policy

As a way of ensuring zero tolerance to corruption and other malpractices, the Board approved the Whistleblower Policy for the Agency on 22nd August 2024 which will serve as a mechanism for exposing any kind of wrong-doing or activity that is considered illegal, unethical or incorrect within the Agency.

2.6.2 Corporate Social Responsibility Policy

The period under review saw the development of a Corporate Social Responsibility (CSR) Policy which is aimed at providing guidance in planning and implementing goodwill gestures as part of giving back to the community in which the Agency operates. The Policy which was also approved by the Board provides guidance on the planning of activities, budgeting, monitoring and formulation of a CSR Committee to spearhead the projects. The policy is key in enhancing the corporate image of the Agency.

2.6.3 Staff Retention Policy

In addition, the Agency developed and implemented a Staff Retention Policy which mandates Management to implement strategies aimed at retaining skilled staff. The Agency also maintained a stable and harmonious work environment, characterised by the absence of industrial unrest. This was mainly attributed to Management's commitment to successfully conclude collective bargaining negotiations, resulting in the signing of a Collective Agreement for 2025.



PACRA Board Members and Management Team pose for a photo at Twangale Park during a training on Risk Management.



PACRA MANAGEMENT

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3.0 PACRA MANAGEMENT



Mr. Benson Mpalo
**Registrar and Chief Executive
Officer**



Mr. Chewe P. Chilufya
**Deputy Registrar Intellectual
Property**



Mrs. Belinda L.M. Siankumo
Deputy Registrar Commercial



Mr. Kaseke F. Chinyemba
Director ICT



Mr. Thomas Kaunda
**Director Internal
Audit**



Mr. Aaron
Mpembamoto
**Director Human
Resources and
Administration**



Mr. Sunduzwayo Zimba
**Director Corporate
Planning and
Compliance**



Mr. Elias C. Fulo
Director Finance



PATENTS AND COMPANIES
REGISTRATION AGENCY

PACRA BEATS 2024

REVENUE TARGET

BY

40%

PERFORMANCE REPORT



PATENTS AND COMPANIES
REGISTRATION AGENCY



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4.0 PERFORMANCE REPORT

The highlights of the performance of the Agency as at 31st December 2024 is as follows:

Business Entities

35,190 Business Names
102% of target achieved



Top 5 Business Registrations by sectors

Wholesale and retail
Agricultural, forestry, and fishing
Service activities.
Construction
Financial and Insurance activities



Annual Returns

54,977 Business Names
99% of target achieved

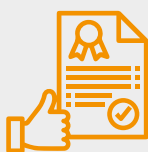


56,802 Companies
102% of target achieved

Insolvency Practitioners



113 Accredited



Trademarks

3657 Lodged
99% of target achieved

Collateral Registrations (Movable Property)

2,340



Patents



464 Lodged
89% of target achieved

Copyright

199 Lodged
87% of target achieved



Industrial Designs



168 Lodged
71% of target achieved

4.1 PERFORMANCE ANALYSIS

4.1.1 Intellectual Property

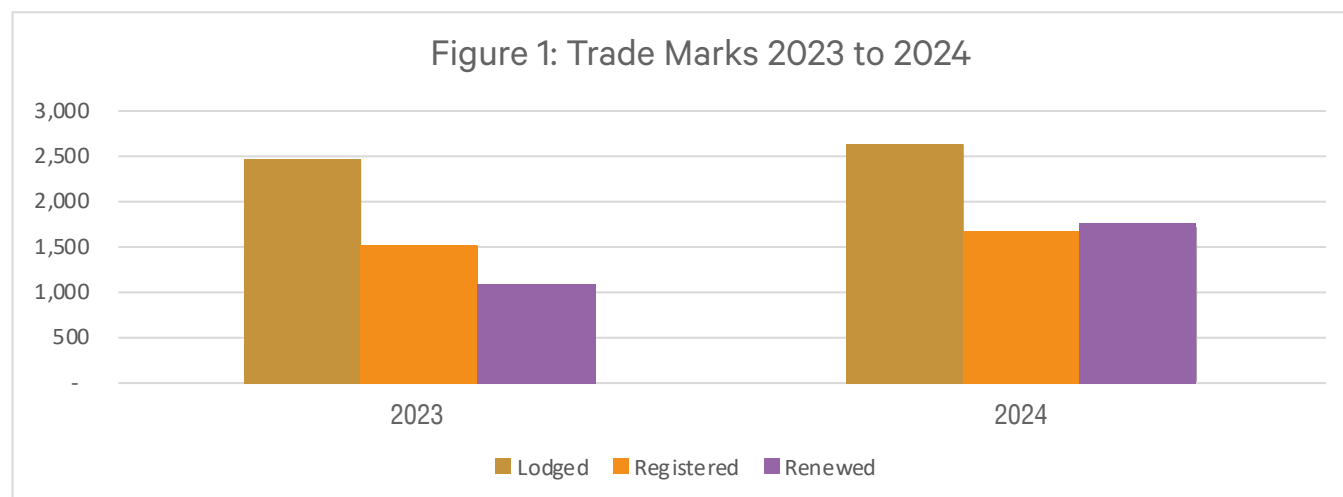
In 2024, the Agency recorded an increase in trademark applications compared to the previous year, which had 2,445 filings. The total number of applications reached 3,657, representing 99% of the target. In relation to patents, the Agency received 464 patent applications representing 89% of the target.

Further, the Agency received 168 design applications representing 71% of the target and 199 copyright applications, representing 87% of the target.

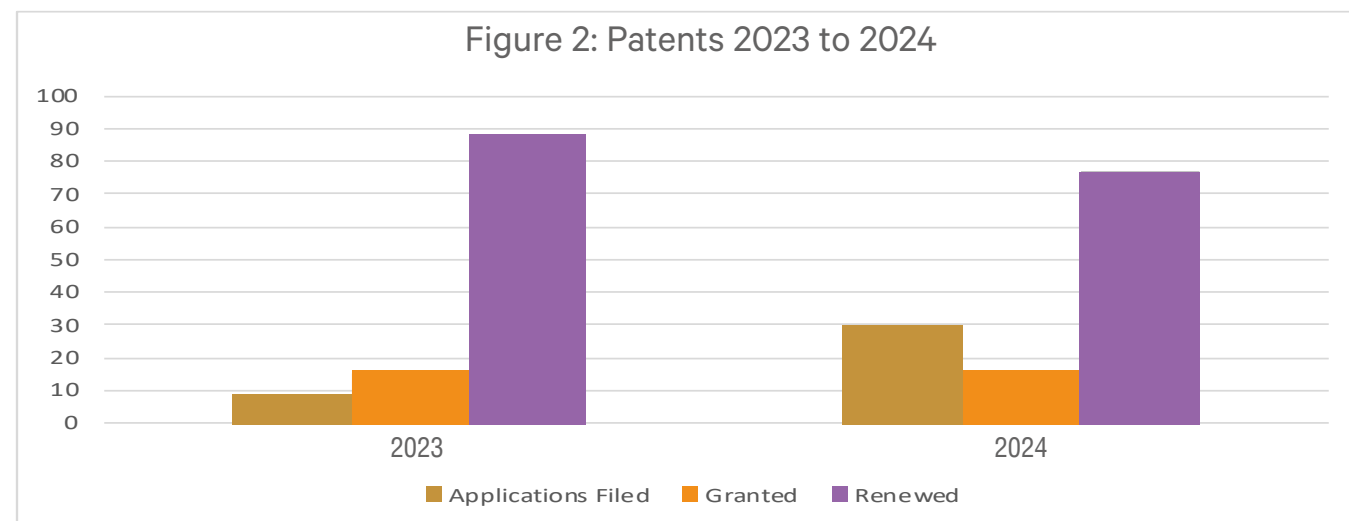
Table 3 - Intellectual Property Performance Summary

Service	Actual	Target	% Performance	
Trademarks applications	3657	3670	-0.3%	Below target
Industrial Designs applications	168	238	-29%	Below target
Patents applications	464	520	-11%	Below target
Copyright applications	199	228	-13%	Below target

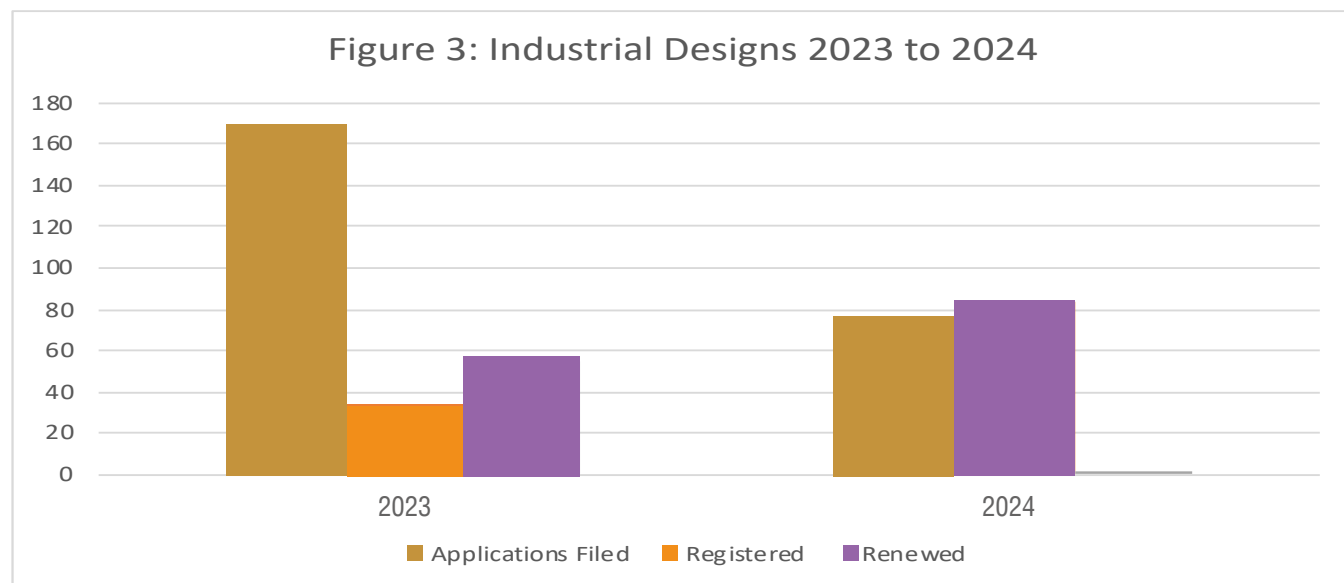
The figure below illustrates a comparative analysis of trademark statistics lodged, registered and renewed for the years 2023 and 2024.



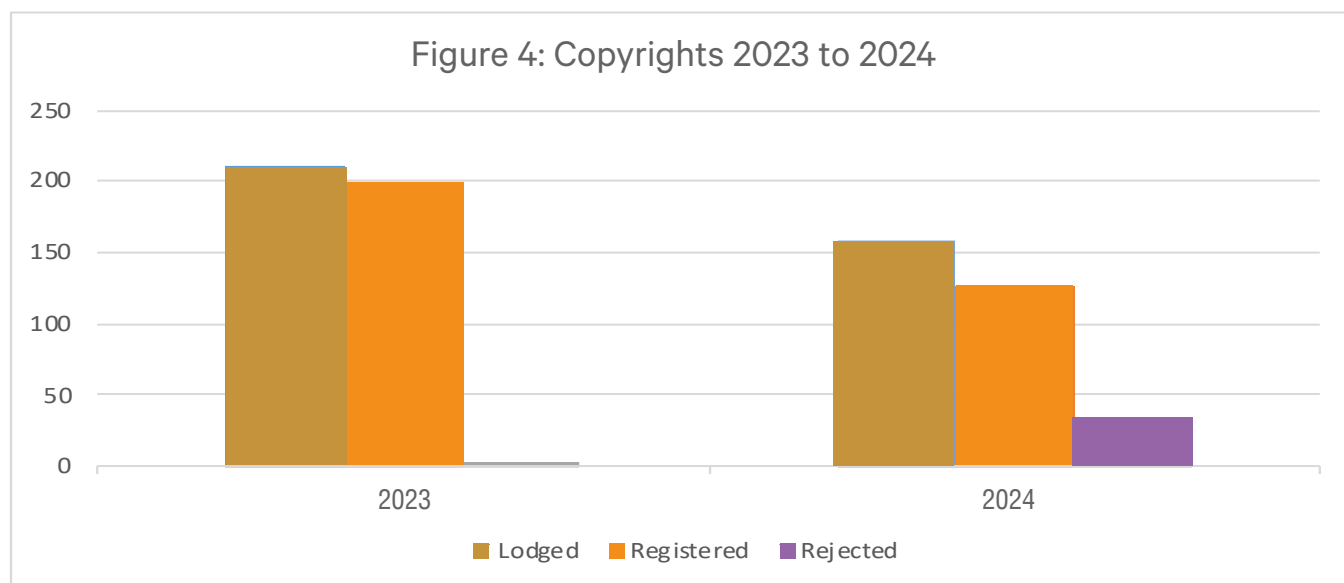
The figure below illustrates a comparative analysis of Patents statistics, applications filed, granted and renewed for the year 2023 and 2024.



The figure below illustrates a comparative analysis of Industrial design statistics for applications filed, registered and renewed for the year 2023 and 2024.



The figure below illustrates a comparative analysis of Copyright statistics for the applications lodged, registered and rejected for the years 2023 and 2024.



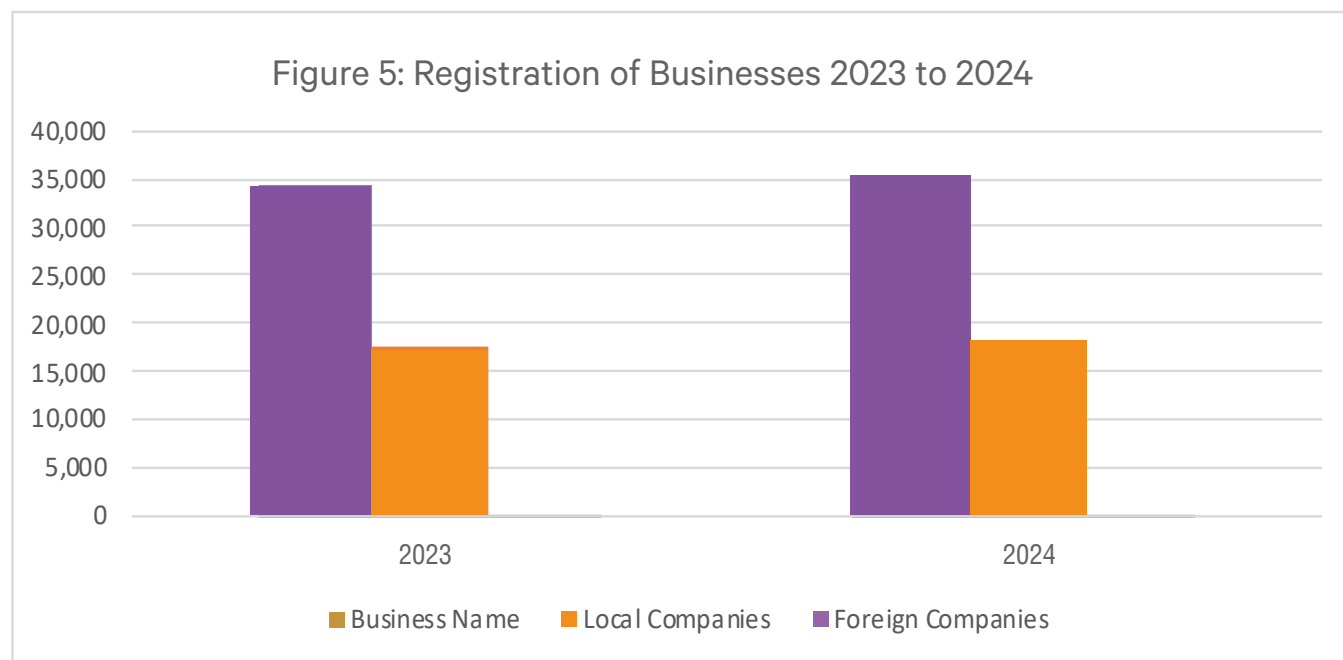
4.1.2 Business Registrations Statistics

The Agency registered a total of 53,328 businesses in the year under review. Out of the 53,328 registered, 35,190 were business names, 18,035 were local limited companies while 103 were foreign companies.

Table 4 - Business Registration Performance Summary

Service	Actual	Target	% Performance
Business Names	35,190	34,595	2%
Companies	18,138	18,300	1%
Annual Returns-Business Names	54,977	55,539	1%
Annual Returns-Companies	56,802	55,539	2%

The figure below illustrates a comparative analysis of Business names, Local Companies, and Foreign Company statistics registered for the years 2023 and 2024.



4.1.3 Business Registrations by Sector

The 53,328 registered local and foreign businesses were across various sectors of the economy. The Wholesale and retail trade sector accounted for the majority of the registrations. Table 5 below shows a breakdown of business registrations by sector.

Table 5 - Business Registrations by Sector 2024

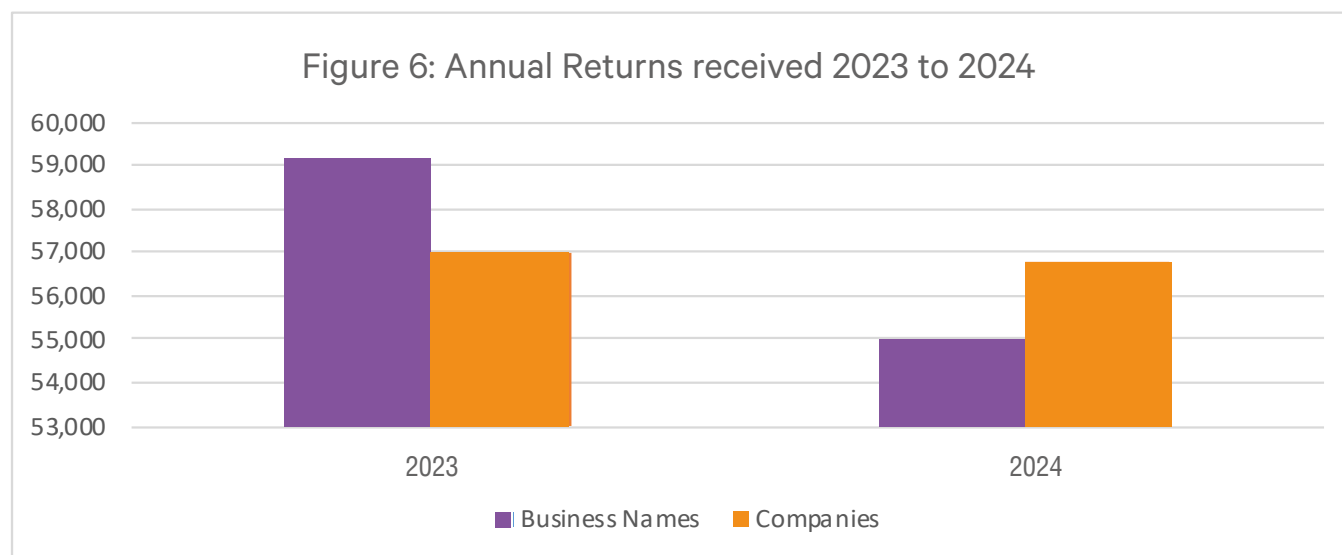
Sector	Business Name	Local Company	Foreign Company
G. Wholesale and retail trade; repair of motor vehicles and motorcycles	5,421	12,195	16
A. Agriculture, forestry and fishing	1,074	7,077	9
S. Other service activities	655	3,261	3
F. Construction	1,885	1,842	7
K. Financial and insurance activities	692	2,015	7
H. Transportation and storage	1,182	1,237	5
I. Accommodation and food service activities	483	1,583	1
C. Manufacturing	842	1,171	3
B. Mining and quarrying	1,592	121	9
P. Education	490	969	3
N. Administrative and support service activities	573	706	4
M. Professional, scientific and technical activities	689	558	16
J. Information and communication	562	677	5
Q. Human health and social work activities	567	451	7
R. Arts, entertainment and recreation	284	621	1

D. Electricity, gas, steam and air conditioning supply	523	218	6
L. Real estate activities	362	243	2
E. Water supply; sewerage, waste management and remediation activities	80	104	0
T. Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	18	121	0
O. Public administration and defense; compulsory social security	34	26	0
U. Activities of extraterritorial organisations and bodies	16	7	1

4.1.4 Annual Returns

In the year 2024, the Agency received 111,779 annual return filings against the set target of 111,078. Out of the 111,779 Annual Return filings, 56,802 were for companies while 54,977 were for business names.

The figure below illustrates annual returns received for the years 2023 and 2024.



4.1.5 Collateral Registrations

The Agency recorded 2,340 collateral registrations on the Movable Property Registration System (MPRS). Collateral registrations are filed with the Agency as evidence that a particular movable property has been pledged as security for the financing facility offered by a lender.

The table below shows collateral registrations recorded in the years 2023 and 2024.

Table 6 - Collateral Registrations

APPLICATION	2023		2024	
	Target	Actual	Target	Actual
Registration of financing Statement	1,260	1,902	1,860	2,340
Discharge of Financing Statement	N/A	96	N/A	165
Search	N/A	1,137	N/A	1,382

4.1.6 Accreditation of Insolvency Practitioners

The Corporate Insolvency Act No. 9 of 2017 provides for the accreditation of insolvency practitioners. During the year under review, 113 Insolvency Practitioners were accredited by the Agency.

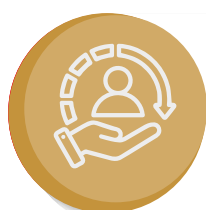


STRATEGIC OBJECTIVES, PROGRAMMES AND ACTIVITIES

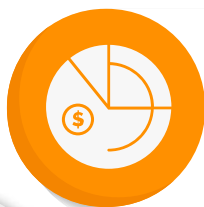
5.0 STRATEGIC OBJECTIVES, PROGRAMMES AND ACTIVITIES

During the year under review, the Agency undertook the following programmes and activities in accordance with the implementation plan of the Strategic Plan 2021-2026 which is anchored on six (6) main Strategic Objectives as follows:

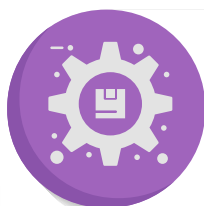
STRATEGIC OBJECTIVES



Improve Customer Service



Enhance Financial Capacity



Enhance Operational Systems



Improve Work Culture



Develop Human Capital



Improve Infrastructure and equipment

5.1 STRATEGIC OBJECTIVE 1- Improve Customer Service

The aspiration of the Agency is to make its services responsive to the needs of the customers through continuous improvement in service delivery.

5.1.1 Implementation of Mobile Money Payments

During the reporting period, the Agency proudly developed and implemented a Mobile Money Payment Gateway, a testament to the ingenuity and dedication of our internal teams. This innovative solution was seamlessly integrated with two leading Mobile Money aggregators enabling secure and efficient payment processing across all major network carriers.

Since its launch at the end of May, the gateway has facilitated 123,722 payments, reflecting its robust design and the growing trust of the Agency's stakeholders. The gateway was strategically designed to support mobile payments for any of the Agency's internal systems. To date, Xatu Plus and the Front Office Online Filing Tool have been successfully integrated, ensuring convenience and accessibility for the public. The overwhelmingly positive feedback from the public underscores the gateway's success in simplifying transactions and enhancing service delivery.

5.1.2 Rollout of the EUIPO Front Office Tool

The EUIPO front office tool is a system that enables users to both file and pay for their intellectual property (IP) lodgements online as well as provide a fully digital and convenient solution to support operational excellence and improve service delivery.

5.1.3 Online Compliance Assessment Tool

The Agency successfully developed and launched an online compliance assessment module on the PACRA online platform, further enhancing the Agency suite of digital services. This tool empowers users to evaluate the compliance status of their businesses with ease and convenience, offering instant feedback and actionable recommendations to guide them toward full compliance. The scope of compliance includes Annual Returns, Nominal Capital, Beneficial Ownership and Par Value.

The Agency takes pride in this achievement and remains dedicated to creating innovative solutions that simplify processes, improve stakeholder engagement, and contribute to a more compliant and informed business environment.

5.1.4 Introduction of Digital Stamping

The Agency successfully implemented an electronic stamping service for output documents generated through Online Services, marking a significant step in operational efficiency and service delivery. This innovation developed internally enables real-time stamping of key documents, including receipts, printouts, and annual return output documents, ensuring accuracy, convenience, and security.

Since its launch, the service has electronically stamped 367,508 documents, demonstrating its impact and reliability. Furthermore, this innovation has driven a remarkable 40% increase in the usage of the PACRA Online platform, reflecting its positive reception and the value it brings to stakeholders.

5.1.5 Information, Education and Communication (IEC)

The Agency during the period under review employed various Information, Education and Communication (IEC) materials and channels to raise awareness on services such as business registration and intellectual property rights registration. The awareness centered around topics on business registration, registering as an online user, filing of annual returns online and how one can protect their intellectual rights.

5.1.6 Digital and Social Media Management

There is enhanced engagement with the clients and potential clients with social media having played a huge part. This involved urgent and timely responses to questions and queries from clients. This was coupled with the production of close to 20 videos and creative graphics cutting across various categories of the Agency's services. These include "how to videos" (videos guiding on how to access certain services), sensitisation videos, compilation of some programs and events that the Agency took part in and promotional graphics and videos.

The engagement saw the Agency increase its social media following on Facebook rise by close to 10,000.

In a bid to be in-tune with the digital revolution while maintaining low costs, the Agency during the period under review launched 'PACRA Bulletin' an online quarterly Newsletter. So far three editions have been published, and the response has been impressive.



Minister of Commerce, Trade and Industry Hon. Chipoka Mulenga, MP admires a gift presented to him during the ARIPO Regional Seminar on Copyright and Related Rights in the Audio Visual Sector in Zambia, in September 2024. Looking on is PACRA Registrar and CEO Mr. Benson Mpalo on the left and ARIPO Director of Intellectual Property Mr. David Njuguna.



PACRA Board Chair Mr. Allan Chungu Mwaba (Middle) and PACRA CEO Mr. Benson Mpalo on his left pose for a photo at the Zambia International Trade Fair



Mr. Siazongo Siakalenge Deputy Secretary to Cabinet shakes hand with PACRA officer at the CAMINEX Show

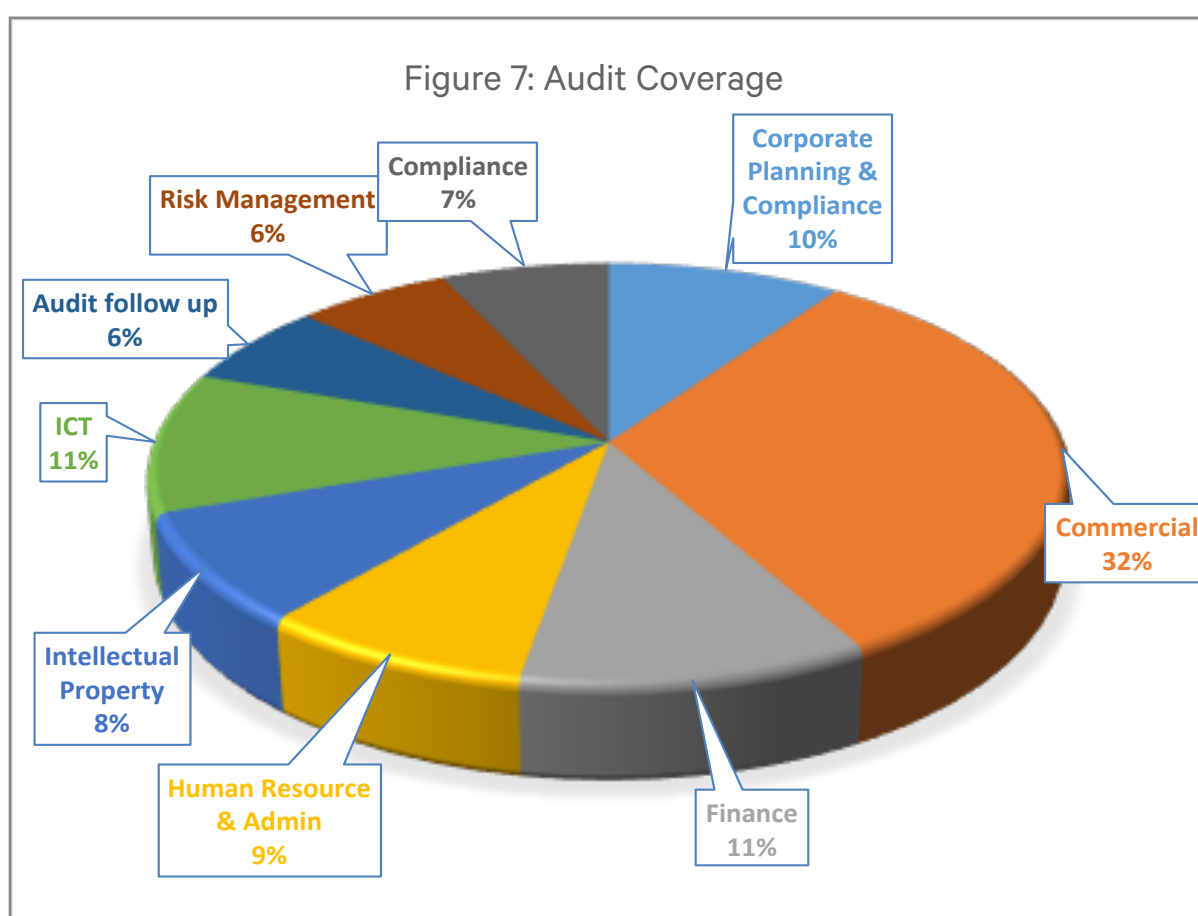
5.2 STRATEGIC OBJECTIVE 2- Enhance Financial Capacity

5.2.1 Strengthening Internal Controls and Risk Management

In an effort to strengthen internal controls and risk management processes, the Agency through its Internal Audit Department conducted audits, assessments, and consulting activities as per the approved Audit Plan. These engagements resulted in recommendations aimed at mitigating identified control deficiencies. The audits covered key operational areas, including Information

and Communication Technology (ICT), Business Registration, Human Resources, Administration, Finance, and Regional Offices. Additionally, the department reviewed the implementation status of previous audit findings, carried out risk management assessments, and worked closely with Management to update both departmental and corporate risk registers.

The audit coverage across operational areas is illustrated in Figure 7.

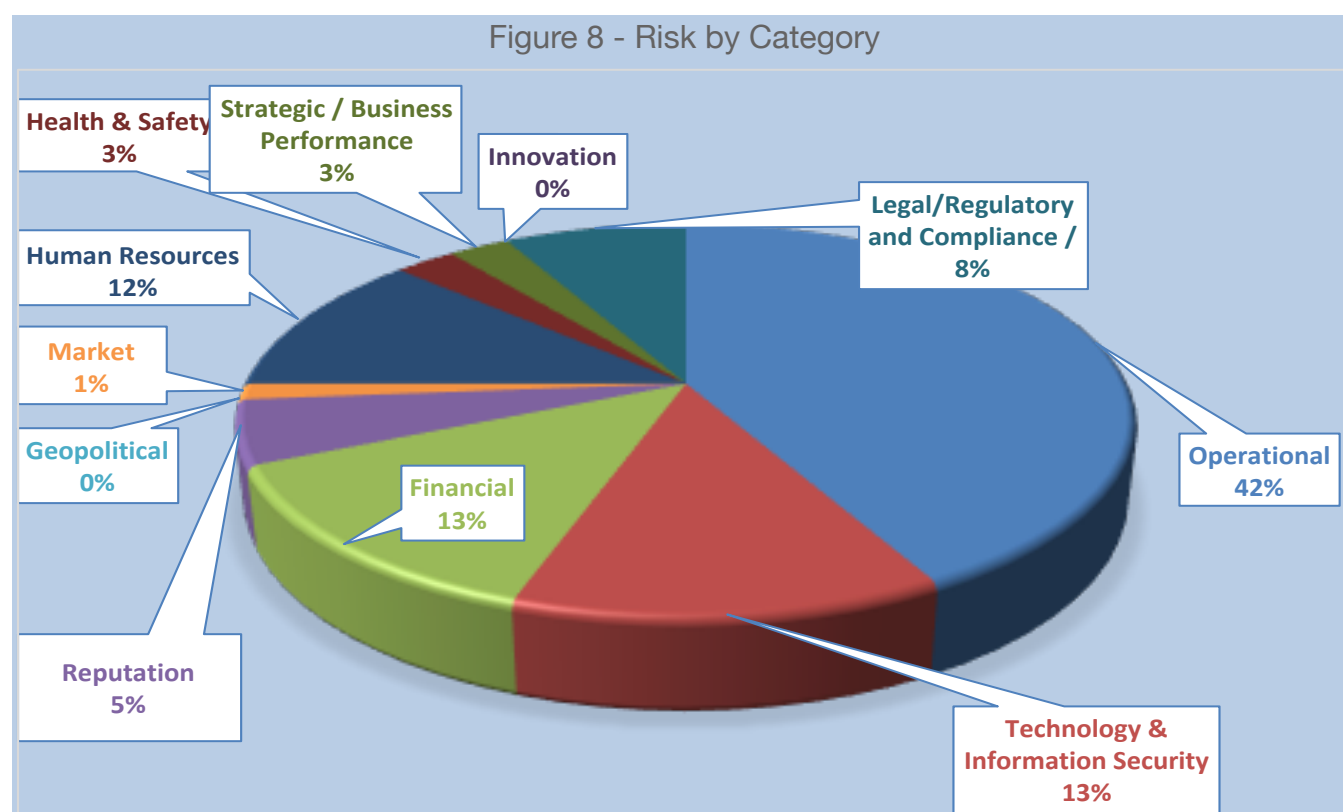


5.2.2 Enterprise Risk Management

To strengthen the Agency's risk management framework, the Agency continued to administer the Enterprise Risk Management (ERM) programme. A total of 76 risks were documented in the Risk Register. Of these, operational risks constituted the largest share at 42%, followed by technology and financial risks at 13% each. Human resource-related

risks accounted for 12%, while legal, regulatory, and compliance risks comprised 8%. Reputation risks stood at 5%, whereas health & safety and strategic/business performance risks each represented 3%. The remaining risk categories made up less than 1% of the total reported risks. The Agency is actively implementing measures to mitigate the identified risks.

A visual representation of the categorized risks is provided in Figure 8 below.



5.3 STRATEGIC OBJECTIVE 3-Enhance Operational Systems

5.3.1 Streamline and automate all Processes

In the year 2024, The Agency continued with efforts to improve operational efficiency through business process re-engineering (BPR). The following projects were implemented in the course of the year leading to reductions in costs and service quality improvements.

5.3.2 Rollout of the EUIPO Front Office Tool

During the reporting period, the Agency successfully implemented and launched the European Intellectual Property Office (EUIPO) Front Office Tool for public use. This innovative system empowers users to file trademark applications online, enhancing accessibility and efficiency in the application process.

5.3.3 Rollout of the Athena Document Management System

The Agency successfully deployed the Athena Document Management System, an advanced, internally developed solution designed to enhance efficiency and modernize document handling. Since its rollout, the system has

facilitated significant improvement in workflow and documents management thereby reducing stationery costs.

The Agency further enhanced the system by launching a Petty Cash Module, replacing manual requisitions with a digital solution fully integrated with the Financial Management System for seamless tracking and accountability. These initiatives highlight the Agency's commitment to innovation, operational excellence, and meeting the evolving needs of stakeholders.

5.3.4 Rollout of the Upgraded Helpdesk System

The Agency successfully deployed the upgraded Helpdesk System, marking a significant milestone in enhancing support services for both internal staff and external stakeholders. This newly upgraded system, developed with a focus on efficiency and user experience, introduces advanced functionality that enables staff to seamlessly raise, track, and resolve tickets across a wide range of support needs, from routine inquiries to complex case resolutions.

5.4 STRATEGIC OBJECTIVE 4-Improve Work Culture

5.4.1 Staffing Levels

The Agency's approved and funded staff establishment consists of 159 positions. As of

31st December 2024, the actual staffing level was 143, representing a fill rate of 90%. The table below provides a detailed breakdown of staff movements, including the underlying reasons for attrition.

Table 7 - Staffing Levels as of 31st December 2025

Establishment	Male	Female	Total
Staff Complement as at 01.01.2024	85	69	154
Recruitments (Appointments)	3	1	4
Resignation	6	6	12
Death	0	0	0
Non-Renewal	1	1	2
Retirements	1	0	1
Dismissals	0	0	0
Staff Complement as at 31.12.2024	80	63	143

5.4.2 Culture of Excellence

In furtherance of its strategic objective to foster a culture of excellence, the Agency's Management team continued to engage staff through a series of motivational and inspirational talks. During the reporting period, Management facilitated a series of presentations emphasizing the importance of achieving excellence and upholding integrity in all aspects of work. The presentations served as a timely reminder to staff of the need to deliver exceptional results and maintain the highest standards of integrity, aligning with the Agency's core values.

5.4.3 Culture of Zero Tolerance to Corruption

As a way of promoting a culture zero tolerance

to corruption and other malpractices, the Board approved the Whistleblower Policy for the Agency on 22nd August 2024 which will serve as a mechanism for exposing any kind of wrong-doing or activity that is considered illegal, unethical or incorrect within the Agency.

5.4.4 Culture of Good Behaviour

In an effort to promote a culture of good behaviour and exceptional performance, the Agency rewarded hardworking employees for outstanding performance during the Labour Day celebrations. The categories of the awards were Most Hardworking and Dedicated to Duty and Most Improved and Innovative. The recipients of the awards were as follows:



Registrar and Chief Executive Officer Mr. Benson Mpalo (L) awards the late Mark Wamuwi for his hard work and dedication to the Agency on Labour Day.



Director Finance, Mr. Elias Fulo shakes hand with the late Mr. Mark Wamuwi at the Labour Day Awards Ceremony.



PACRA Registrar & CEO Mr. Benson Mpalo presents a certificate of award to one of the employees at the Labour Day Awards Ceremony.

Table 8 - Employee Awards

S/N	NAME OF EMPLOYEE	AWARD/CATEGORY
1	Sarah Mweemba – Registry Officer	Most hardworking and dedicated to duty
2	James Mubanga – Assistant Examiner	
3	Wakasale Namonje – Registration Officer	
4	Pruven Musukwa – Senior Registration Officer	
5	Precious Kazetu – Accounts Assistant	
6	Chilufya Kapotwe - Call Centre Agent	
7	Mark Wamuwi – Office Assistant	
8	Theresa Mbolongwe – Personal Assistant	
	Chikondi Tembo – Secretary	
9	Isaac Mwanza – Driver	Most improved and innovative
10	Ozzie Kayukwa – Internal Auditor	
11	Dominic Chiwambo – Legal Officer	
12	Vincent Shamabanse – Procurement Officer	



PACRA Management pose for a photo with Awardees at the Labour Day Awards Ceremony.

5.5 STRATEGIC OBJECTIVE 5-Develop Human Capital

In line with its strategic objective to develop and enhance human capital, the Agency took part in the following training programmes:

Table 9 - Training Programmes

Focus of Training	Relevance	Participants
Enterprise Risk Management Training	This training empowered participants with essential skills and knowledge in risk management, as well as practical strategies for effectively addressing risks.	Board Members and Senior Management
Training in Geographical Indications	The training provided a valuable opportunity to learn about best practices and gain insight into the evolution of the legal framework governing GIs.	Selected officers from the Intellectual Property Department
In-House Training on Name Clearance	The training aimed to enhance employees' expertise in name clearance procedures, ultimately streamlining the processing of online cases and increasing operational efficiency.	Selected officers from the Commercial Department
International Workshop on Beneficial Ownership	The training offered valuable insights into the necessary legal reforms required to ensure compliance with Financial Action Task Force (FATF) standards.	Selected officers from the Commercial Department
WIPO-WTO Executive Programme on Intellectual Property Issues for Senior Government Officials in Geneva, Switzerland.	The workshop provided a unique opportunity for participants to engage with international experts and gain insights into the latest developments in intellectual property and trade.	Selected officer from the Intellectual Property department
Training on trademarks held in Harare, Zimbabwe	The training aimed to enhance trademark examination skills, assess practices in ARIPO Member States, and engage with IP agents to promote intellectual property registration in the region.	IP Examiners from the Intellectual Property department
Training with Musika	Raising awareness about the Movable Property (Security Interest) Registry System, its benefits, and its impact on improving access to credit using movable properties as collateral.	Commercial department and various financial service providers.
Training with Spoor & Fisher, a South African IP services firm	This training focused on identifying counterfeit products and included practical sessions. Participants learned how IP infringement occurs.	Selected officers from the Intellectual Property department
Document Management System Training (Athena)	This training session was designed to equip staff members with the necessary knowledge and skills to effectively utilise the Athena Document System. The implementation of this system has been instrumental in transitioning our organisation into a paperless workplace environment, replacing our traditional manual records management system and enhancing overall operational efficiency.	All employees
WIPO Regional Training Workshop on the cloud-native IPAS 4	The workshop was aimed at introducing participants to the cloud-native IPAS 4 system, showcasing its advanced features, functionalities, and services.	Selected officers from the Intellectual Property department
WIPO-ARIPO Regional Seminar titled "Copyright: A Driver of the Creative Economy,"	The seminar meant to examine the pivotal role of copyright in advancing the creative economy while fostering economic, social, and cultural development across Africa. It provided a platform to share national-level progress on copyright administration and the implementation of the Nairobi Strategic Plan adopted in 2019	Selected officers from the Intellectual Property department
Regional Workshop on Plant Variety Protection	The workshop promoted accession to the Arusha Protocol and UPOV Convention, enabling participants to exchange information and experiences on plant variety protection.	Selected officers from the Intellectual Property department

5.6 STRATEGIC OBJECTIVE 6-Improve Infrastructure and Equipment

5.6.1 Strengthen Adherence to the Procurement Plan

In order to strengthen adherence to procurement processes, the Agency developed the 2024 Annual Procurement Plan. All procurements by the Agency were conducted in line with the approved Annual Procurement Plan.

A woman with dark hair and glasses, wearing a white long-sleeved dress with a tie belt, stands in an office setting. She is smiling and holding a brochure titled "BUSINESS REGISTRATION MADE EASY!" in her right hand. The brochure features a man in a blue shirt and lists steps for business registration. The background is a blurred office environment with shelves and papers.

OTHER ACTIVITIES

Integrity is our core value. We always do the right thing, at the right time, in the right way.

www.pacra.org.zm

6.0 OTHER ACTIVITIES

6.0.1 Legal Reforms

Review of the Companies Act

By the end of 2024 the Agency had developed the Companies (Amendment) Bill. The objectives of the Bill include simplifying the disclosure of beneficial ownership information, to introduce measures to enhance compliance with the Act. The Agency will facilitate the enactment of the Bill into law in 2025.

6.1.2 Acknowledging Assistance from Stakeholders

i. Open Ownership

The Agency received both technical and financial assistance towards legal reforms (Companies Act), and capacity building from Open Ownership.

ii. United States Agency for International Development (USAID)

The Agency received both technical and financial assistance towards legal reforms (Companies Act), mobile registration exercises in rural Zambia and awareness sessions on business

formalisation and beneficial ownership.

iii. International Monetary Fund (IMF)

The Agency received technical assistance towards legal reforms (Companies Act), and capacity building.

iv. USAID Zambia Accelerating Transparency Initiative (ZATI)

The Agency received both technical and financial assistance towards legal reforms (Companies Act), and capacity building.

v. International Trademarks Association (INTA)

The Agency received technical assistance towards training of Examiners in the examination of service marks, trademarks and classification of marks.

vi. Musika Development Initiative Zambia Limited

The Agency received financial assistance for the country-wide awareness sessions undertaken in eleven districts on the Movable Property Registration System (MPRS).





Participants pose for a photo at the ARIPO Regional Seminar on Copyright and Related Rights in Lusaka.



Kalumbila residents who took part in a Business Open day at Kalumbila in 2024



Ministry of Youth, Sports and Arts Permanent Secretary Fumba Chama, at the 2024 African Copyrights and Collective Management Day in Lusaka on 13th September, 2024.



PACRA Deputy Registrar – IP Mr. Chewe Chilufya second right with Zambia Reprographic Rights Society (ZARRSO) CEO Ruth Simujayangombe after the former paid a courtesy call on the CMO flanked by officials from both institutions.



PACRA Ndola office join the rest of the world in celebrating the World International Women's Day.



PACRA officers celebrating the 2024 Womens Day.



PACRA CEO & Registrar Mr. Benson Mpalo, bides farewell to his Personal Assistant Mrs. Theresa Mbolongwe who retired on 31st December 2024 after 21years of service.



Permanent Secretary Special Duties at Cabinet Kennedy Kalunga engages PACRA Staff during the 2024 Public Service Day exhibition at East Park in Lusaka.



PACRA Deputy Registrar IP Mr. Chewe Chilufya tours the ZAMCOPS Cassette Library guided by the ZAMCOPS Managing Director Mirrias Siamutondo



PACRA Registrar and CEO Mr. Benson Mpalo with his Deputy incharge of IP Mr. Chewe Chilufya pose for a photo with members of the ZAMCOPS Boards and Management after a courtesy call on him at PACRA House



Ministry of Commerce Permanent Secretary Lilian Bwalya during a stakeholders meeting on Beneficial Ownership in Lusaka.



PACRA Registrar and CEO Benson Mpalo receives a copy of a ZAMCOPS Annual Report from its Vice Board Chairperson Danny Mwikisa known in the music world as Danny Peddle



Mwape Chimpampa a 10 pupil of Naboye Secondary School in Kafue district exhibits her Organic Sunscreen made out of honey, eggs, aloe vera and some vegetables at the 2024 JETS Fair which was partly sponsored by PACRA.



PACRA Deputy Registrar – IP Mr. Chewe Chilufya hands over a Certificate of Copyright Registration to Felix Kangwa a youth who has developed an invention called 'Eyris – Diabetes Scanner' a Phone App that enables diabetes patients to check their sugar levels.



PACRA members of staff take part in the Cancer Awareness month dubbed 'DukuTober'.



International participants of the 2024 ARIPO Regional Seminar on Copyright and Related Rights in the Audio Visual Sector in Zambia, in September. Commerce Minister Chipoka Mulenga graced the event.



PATENTS AND COMPANIES
REGISTRATION AGENCY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2024



Patents and Companies Registration Agency
Report and Financial Statements
For the year ended 31st December 2024

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The directors have the pleasure of presenting their report and audited financial statements for the year ended 31st December 2024.

1. Background

The Patents and Companies Registration Agency ("PACRA") is a Statutory Body established under Patents and Companies Registration Agency Act, No 4 of 2020.

- a) The Agency has the principal mandate of providing Business Registration and Intellectual Property protection services.
- b) The Agency administers Intellectual Property Rights and serves as a legal repository for Business Registration and Intellectual Property information.

2. The Registered office and principal place of business

Patents and Companies Registration Agency,
PACRA House, Longacres,
Haile Selassie Avenue,
Plot 8471
P.O Box 32020,
LUSAKA.

3. Functions of the Agency

a) Administer

- The Companies Act No. 10 of 2017
- The Corporate Insolvency Act No. 9 of 2017
- The Registration of Business Names Act No. 16 of 2011
- The Patents Act No. 40 of 2016
- The Trademarks Act Cap. 401
- The Registered Designs Act No. 8 of 2010
- The Companies (Certificate Validation) Act Cap. 401
- The Moveable Property (Security Interest) Act No. 3 of 2016;
- The Protection of Traditional Knowledge, Genetic Resources and Expressions of Folklore Act No. 16 of 2016
- The Copyright and Performance Rights Acts Cap.406
- The Layout Designs of Integrated Circuits Act No. 6 of 2016

- b) Receive and Investigate complaints of alleged or suspected breach of the Acts referred to in part (a) and subject to the directives of the Director of Public Prosecutions prosecute offences under those acts as the case may be.
- c) Collect, collate and Disseminate information on the law relating to the Acts referred to in part (a).
- d) Advise Government on all matters pertaining to the Acts referred to in part (a).
- e) Do all such other things as are necessary or incidental to the performance of its functions under the PACRA Act.

4. Services

The following are the services currently provided by the Agency:

- Registration of industrial designs
- Registration of Trademarks
- Granting of Patents
- Registration of copyright and related rights
- Incorporation of companies
- Registration of business names
- Registration of security interests in movable property
- Establishment of business regulatory services centres
- Registration of integrated circuits
- Accreditation of corporate insolvency practitioners
- Registration of traditional Knowledge, genetic resources and expression of folklore.

5. Those Charged with Governance("TCWG")

a) Composition

The Agency is subject to legislative requirements regarding the composition, powers, functions, committee structure and responsibilities of those charged with governance("TCWG"). TCWG are accountable to Parliament through the ministry of commerce, Trade and Industry ("MCTI"). TCWG are responsible for providing strategic direction to the Agency and ensure that it is managed in an effective and efficient manner. TCWG consist of the following non-executive directors who are appointed by the Minister responsible for Commerce, Trade and Industry in accordance with section 6 of the Patents and Companies Registration Agency Act No. 4 of 2020:

- A representative of the Ministry of Commerce, Trade and Industry
- A representative of the Attorney General
- An accountant registered with the Zambia Institute of Chartered Accountants
- A representative of the Zambia Association of Chambers of Commerce and Industry.
- One person with expertise in matters of intellectual property
- Two other persons with experience and knowledge in matters relevant to the Patents and Companies Registration Agency Act No. 4 of 2020.

b) TCWG in Place

The current board of directors comprises the following members:

Mr Allan Chungu Mwaba	Board Chairperson
Mr Blessed Nkunika	Vice Chairperson
Ms Lois Kapeza	Member
Mrs Margaret Chikuba (MCTI)	Member
Mrs Nalukena Mutti	Member
Mr Mohammed Umar	Member
Mr Mwelwa Chilundika	Member
Mr. Benson Mpalo	Registrar and Chief Executive Officer

Their key responsibilities are set out in the Patents and Companies Registration Act No. 4 of 2020.

5. Those Charged with Governance("TCWG") (continued)

c) Interests in Capital Resources

None of TCWG held an interest in the Agency's capital Resources during the year.

d) Emoluments for TCWG

Emoluments or expenses for TCWG during the year amounted to ZMW 1,326,920 (2023: ZMW 879,596).

6. Key Management

The Senior Management team consisted of the following during the year under review:

Benson Mpalo	Registrar and Chief Executive Officer
Belinda Lukaki Musopelo	Deputy Registrar-Commercial
Chewe Peter Chilufya	Deputy Registrar-Intellectual Property
Dennis Kamfwa	Acting Board Secretary and Legal Counsel
Kaseke Chinyemba	Director-Inform. & Comm. Technology
Thomas Thindwa Kaunda	Director-Internal Audit
Aaron Mpembamoto	Director-Human Resource & Administration
Sunduzwayo Zimba	Director-Corporate Planning & Compliance
Chanda Elias Fulo	Director-Finance

7. Capital and Resources

The Agency has no subscription capital; its capital resources comprise accumulated funds and unamortised deferred credits relating to capital and deferred revenue grants.

8. Adoption of International Public Sector Accounting Standards

From 1st January 2022, the entity started applying IPSAs in preparation of its financial statements. IPSAS are a set of accounting standards issued by the International Public Sector Accounting Standards Board ("IPSASB") with specific focus on the accounting and financial reporting requirements of governments, other public sector entities and Not-For-Profit Organisations. The development of the IPSAS has its origin in the accounting profession to enhance the accountability and transparency of public sector financial reporting and strengthen the public confidence in public sector financial management. The IPSASB is an independent standard setting Board supported by the International Federation of Accountants ("IFAC"). The IPSASB issues IPSAS, guidance and other resources for use by the public sector around the world.

9. Financial and Operational Highlights

a) Basis of Preparation

- (i) The Agency's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSASs).
- (ii) The financial statements are presented in Zambian Kwacha, which is the functional and reporting currency of the agency and all values are rounded to the nearest Kwacha.

9. Financial and Operational Highlights (continued)

b) Operating Results

The Agency's financial year is from 1st January to 31st December.

During the financial year ended 31st December 2024, the Agency recorded a deficit of ZMW 0.128 million as compared to a deficit of ZMW5.873 million during the year ended 31st December 2023.

c) Income

Total Incoming resources for the year amounted to ZMW81.520 million (2023: ZMW76.010 million).

d) Expenditure

Expenditure totalled ZMW81.647million (2023: ZMW81.883 million). The main operating costs were depreciation and amortisation costs K1.868 million (2023: ZMW 1.801million), Costs of Personnel ZMW66.965 million (ZMW69.494 million) and recurrent expenditures ZMW12.331 million (2023: ZMW9.818 million).

b) Capital Expenditure

Capital expenditure amounted to K0.750 million (2023: ZMW0.117 million).

10. Risk Factors

The Agency faces a few 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 authorisation and 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 Agency suffers losses because of internal and external fraud or intentional damage, loss or harm to people, premises or its movable assets.
- (ii) Technology Risk – Technology is a key business enabler in the Agency 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.

10. Risk Factors (continued)

- (iii) People Risk – People risk arises from failures of the Agency 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

The Agency is subject to a comprehensive range of legal obligations, mostly covered by the *Patents and Companies Registration Act No. 4 of 2020*. 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 Agency in an adverse way; the Agency may face a risk where legal proceedings are brought against it, in the course of carrying out its mandate, etc. Regardless of whether such claims have 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 Agency 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.

- (ii) Accounting Risks

The Agency'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 Agency 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 16 to 37.

- (iii) Financial Risks

The Agency 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 Agency's financial risk exposures are discussed on pages 38 to 40 in Note 31 to the financial statements.

12. Risk Management and Control

The Agency through its normal operations is exposed to several risks, the most significant of which are *operational*, *legal* and *financial risks*. TCWG of the Agency are 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.

13. Corporate Governance

Working with guidance from the Board, Management continued to be committed to high standards of corporate governance, which was fundamental to discharging their leadership responsibilities. Management applied integrity and other principles of good governance.

14. Pension Scheme

The Agency also has a pension scheme for all permanent and pensionable staff. It is a defined contribution plan for all qualifying employees and is held separately from the Agency. The Agency has no liability other than in meeting monthly contributions into the scheme. TCWG were not entitled to any form of defined pension benefits from the Agency.

15. Related Party Transactions

The Agency has a common enterprise relationship with Government of the Republic of Zambia ("GRZ") and its departments. Other related party relationships and material balances that the Agency has with its related parties are listed in Note 18 to the financial statements.

16. Post Balance Sheet Events

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

17. Auditors

In accordance with the provisions of the Patents and Companies Registration Act No 4 of 2020, the auditors, Messrs Mark Daniels Chartered Accountants, having expressed their willingness to continue in office, a resolution for their re-appointment will be proposed and considered by the Board – TCWG.

On behalf of the TWCG:



Registrar and Chief Executive Officer

1st April 2025

Date

Statement of Responsibilities for the Financial Statements

The following statement, which should be read in conjunction with the Auditors' report on page 8-10, is made with a view to distinguishing the respective responsibilities of the Board of the Agency ("the Board") and of the Auditors in relation to the financial statements for the year to 31st December 2024

Statement of Responsibility for Financial Statements

In conformity with *International Public Sector Accounting Standards* ("IPSASs"), the Board is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Agency and of the operating result for that year. *IPSAS* provide, in relation to such accounts, that references to accounts giving a true and fair view are references to fair presentation. The Board considers that, in preparing the financial statements on pages 11 to 14, and the additional information contained on pages 16 to 42, the Agency has used appropriate accounting policies, supported by reasonable judgements and estimates, and all accounting standards which it considers to be applicable.

The Board has responsibility for ensuring that the Agency keeps accounting records which disclose with reasonable accuracy the financial position of the Agency and which enable it to ensure that the financial statements comply with generally accepted reporting standards. The Board has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Agency and to prevent and detect fraud and other irregularities. Because there was no Board, executive management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with *IPSASs*. In preparing such financial statements, the officers are required to: select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; state whether the applicable accounting standards have been followed; and comply with *IPSASs*.

In the opinion of the Agency:

1. The statement of comprehensive income is drawn up so as to give a true and fair view of the results of the Agency for the year ended 31st December 2024;
2. Based on current records that it holds:
 - (a) The statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Agency as at 31st December 2024; and
 - (b) There are reasonable grounds to believe that the Agency will be able to pay its debts as and when they fall due.

The financial statements set out on pages 11 to 14 were approved on 1st April 2025 and signed by:



Board Chairperson



Registrar and Chief Executive Officer

**Report of the Independent Auditors
To the Minister of Commerce, Trade and Industry**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Patents and Companies Registration Agency (PACRA), which comprise the statement of financial position as at 31st December 2024, and the statement of comprehensive income, 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 Patents and Companies Registration Agency as of 31st December 2024 and of its financial performance and cash flows for the year ended and have been properly prepared in accordance with the International Public Sector Accounting Standards (IPSAS) as issued by the Public Sector Accounting Standards Board (IPSASB).

Separate Opinion in Relation to IPSAS Issued by the IPSASB

The Agency has prepared Financial Statements that comply with IPSAS as Issued by the IPSASB. In our opinion, the Financial Statements comply with IPSAS as Issued by the IPSASB.

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 Agency in accordance with the International Ethics Standards Board for Accountants' Code of Ethics (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matter are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. Key audit matters are selected from the matters communicated with those charged with governance but are not intended to represent all matters that were discussed with them. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of the key audit matters, and we do not express an opinion on these individual matters.

There were no key audit issues or discussion in this report.

Other information

Directors and Management are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express 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 in this respect.

INDEPENDENT AUDITOR'S REPORT To the Minister of Commerce, Trade and Industry (Continued)

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

Directors and Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Agency or to cease operations, or have no realistic alternative but to do so. Those charged with Governance are responsible for overseeing the Agency'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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with 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 Agency'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 Agency'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 Agency 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 Agency to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Agency audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
To the Minister of Commerce, Trade and Industry (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 **Patents and Companies Registration Agency** as of 31st December 2024 have been properly prepared in accordance with the PACRA Act, and the accounting and other records and registers have been properly kept in accordance with the Act.

Chartered Accountants
Lusaka

1st April
2025

WKKK Kasongo

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

STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2024 ZMW	Restated 2023 ZMW
Revenue from Non-Exchange Transactions			
Grant income	19	75,757,065	75,157,065
Revenue from Exchange Transactions			
Other income	20	5,762,535	852,655
		<u>81,519,600</u>	<u>76,009,720</u>
Expenditure			
Direct costs	21	482,524	770,308
Depreciation on property and equipment	22	1,755,464	1,688,021
Depreciation on right of use assets	24.2	112,934	112,934
Employee costs and benefits	Appendix I	66,965,459	69,493,820
Recurrent costs	Appendix II	12,330,797	9,817,764
		<u>81,647,178</u>	<u>81,882,847</u>
Operating Results		<u>(127,578)</u>	<u>(5,873,127)</u>
Other comprehensive income		-	-
Deficit for the year		<u>(127,578)</u>	<u>(5,873,127)</u>

There were no items of other comprehensive income.

Statement of Financial Position

	Notes	2024 ZMW	Restated 2023 ZMW
ASSETS			
Non-current assets			
Property and equipment	22	18,606,897	19,612,361
Intangible assets	23	-	-
Right of use assets	24.2	5,985,480	6,098,414
		<u>24,592,377</u>	<u>25,710,775</u>
Current assets			
Inventory	25	199,227	199,387
Other financial assets	26	9,459,378	6,952,260
Cash and cash equivalents	27	19,936,553	19,308,963
		<u>29,595,158</u>	<u>26,460,610</u>
Total assets		<u>54,187,535</u>	<u>52,171,385</u>
FUNDS AND LIABILITIES			
Funds			
Revenue Reserves		30,627,249	27,723,753
Revaluation Reserves		12,972,571	16,004,045
		<u>43,599,820</u>	<u>43,727,398</u>
Current Liabilities			
Payables, Accruals and Provisions	28	5,944,115	3,633,313
Employee-Related Payables	29	4,643,600	4,810,674
		<u>10,587,715</u>	<u>8,443,987</u>
Total Equity and Liabilities		<u>54,187,535</u>	<u>52,171,385</u>

The notes on pages 7 to 41 form an integral part of these financial statements

The financial statements on pages 11 to 41 were approved by the Board on
1st April 2025 and signed on its behalf by:



Board Chairperson



Registrar and Chief Executive Officer

Statement of Changes in Funds

<i>Amounts are Stated in Zambian Kwacha</i>	Revaluation Reserve	Revenue Reserves	Total Reserves
Balance as at 1 January 2023	15,620,124	30,565,006	46,185,130
Amortization of Revaluation Reserve	(3,031,474)	3,031,474	-
Revaluation surplus	3,415,395		3,415,395
Deficit for the year	-	(5,873,127)	(5,873,127)
Restated-On 31 December 2023	16,004,045	27,723,353	43,727,398
Balance as of 1 January 2024	16,004,045	27,723,353	43,727,398
Amortization of Revaluation Reserve	(3,031,474)	3,031,474	-
Deficit for the year		(127,578)	(127,578)
Restated-On 31 December 2024	12,972,571	30,627,249	43,599,820

Statement of cash flows

	Notes	2024 ZMW	Restated 2023 ZMW
Cash Inflow from Operating Activities			
Deficit for the year		(127,578)	(5,873,127)
Interest Received		(1,328,551)	(830,656)
Depreciation on property and equipment	22	1,755,464	1,688,021
Depreciation of the right of assets	24.2	112,934	112,934
Gain on Disposals		(113,050)	(5,613)
Change in Inventory		160	94,556
Changes in Other Financial Assets		(2,507,118)	368,141
Change in Amounts Payables, Accruals and Provisions		2,310,802	(45,772)
Change in Employee-Related Obligations		(167,074)	927,306
Net Cash Outflow on Operating Activities		(64,011)	(3,564,210)
Returns on Investment and Servicing of Finance			
Interest Received		1,328,551	830,656
		1,328,551	830,656
Investing Activities			
Actual Payments to Acquire Tangible Fixed Assets	22	(750,000)	(117,385)
Proceeds from Disposal of Assets		113,050	5,613
Net Cash Outflow on Investing Activities		(636,950)	(111,772)
Net Increase/ (decrease) in Cash and Cash Equivalents		627,590	(2,845,326)
Cash and Cash Equivalents at the start of year		19,308,963	22,154,289
Cash and Cash Equivalents at end of year	26	19,936,553	19,308,963
Represented By:			
Cash at Bank and in Hand		10,635,598	11,092,977
Short-Term Bank Deposits		9,300,955	8,215,986
		19,936,553	19,308,963

Summary of Significant Accounting Policies

1. Basis of preparing financial statements

The financial statements of Patent and Companies Registration Agency (PACRA) have been prepared on the going concern basis and in accordance with the International Public Sector Accounting Standards (IPSAS) and comply with the Agency Act. They have been prepared under the historical cost convention, unless stated otherwise. The financial statements are presented in Kwacha (ZMW) except where otherwise indicated.

2. Basis of preparation

The *entity's* financial statements have been prepared in accordance with and comply with *International Public Sector Accounting Standards (IPSASs)*. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. Historical cost is generally based on the fair value of the consideration given in exchange for assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The financial statements comprise a statement of performance, a statement of comprehensive income, a statement of financial position, a statement of changes in funds, a statement of cash flows, and notes. Income and expenses, excluding the components of other comprehensive income, are recognised in the statement revenue and expenditures.

Other comprehensive income is recognised in the statement of comprehensive income and comprises items of income and expenses (including reclassification adjustments) that are not recognised in the statement of revenue and expenses, as required or permitted by IPSAS. Reclassification adjustments are amounts reclassified to revenue and expenses in the current period that were recognised in other comprehensive income in the current or previous periods. Transactions with the owners of the *entity* in their capacity as owners are recognised in the statement of changes in equity.

The financial statements are prepared on accrual basis.

The *entity* presents the statement of revenue and expenditure using the classification by function of expenses. The *entity* believes this method provides more useful information to the users of its financial statements as it better reflects the way operations are run from a business point of view.

The statement of financial position format is based on a current/non-current distinction.

The cash flow statement is prepared using the direct method.

The accounting policies have been consistently applied to all the years presented. This implies that the prior year has been restated where necessary as it was previously presented under the International Financial Reporting Standards (IFRS). The financial statements have been prepared on the basis of historical cost, unless stated otherwise.

Summary of Significant Accounting Policies (continued)

3. Basis of Measurement

Historical cost is generally based on the fair value of the consideration given in exchange for assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the entity uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the entity (working closely with external qualified valuers) using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- (a) *Level 1 fair value measurements* are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) *Level 2 fair value measurements* are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- (c) *Level 3 fair value measurements* are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

Transfers between levels of the fair value hierarchy are recognised by the entity at the end of the reporting period during which the change occurred.

4. Statement of Compliance

The financial statements have been prepared in accordance with *International Public Sector Accounting Standards* ("IPSASs") applicable for the reporting period to 31st December 2024

5. Application of new and revised International Public Sector Accounting Standards (IPSASs)

(a) Application of New IPSAS

As explained above, the financial statements have been prepared in accordance with *International Public Sector Accounting Standards* for the first time for the financial year beginning on or after 1st January 2024.

(b) Statement of compliance

As explained above, the financial statements have been prepared in accordance with *International Public Sector Accounting Standards* for the reporting period to 31st December 2024.

Summary of Significant Accounting Policies (continued)

5. Application of new and revised International Public Sector Accounting Standards (IPSASs) (continued)

(a) New standards and amendments-applicable 1 January 2024

There are no new standards and interpretations that apply for the first time to financial reporting periods commencing on or after 1 January 2024.

Summary of Significant Accounting Policies (continued)

5. Application of new and revised International Public Sector Accounting Standards (IPSASs) (continued)

(b) Forthcoming requirements

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

Title	Key requirements	Effective date*
<i>IPSAS 45, Property, Plant and Equipment</i>	<p>Published in May 2023, IPSAS 45 replaces IPSAS 17, Property, Plant and Equipment and adds current operational value as a measurement basis in the updated current value model for assets within its scope, identifies the characteristics of heritage and infrastructure assets, and incorporates new guidance on how these important types of public sector assets could be recognised and measured.</p> <p>Paragraph AG3 of IPSAS 45 outlines distinguishing characteristics of a heritage asset in the following manner:</p> <ul style="list-style-type: none"> • They have restrictions on their use and/or disposal. • They are irreplaceable; and • They have long and sometimes indefinite useful lives. <p>While paragraph AG5 of IPSAS 45 listed out the following characteristics of infrastructure assets:</p> <ul style="list-style-type: none"> • They are networks or systems; and • They have long useful lives. 	1 January 2025
<i>IPSAS 46, Measurement</i>	<p>IPSAS 46 provides new guidance in a single standard addressing the measurement bases that assist in reflecting fairly the cost of services, operational capacity and financial capacity of assets and liabilities. It brings in generic guidance on fair value for the first time, and introduces current operational value, a public sector specific current value measurement basis addressing constituents' views that an alternative current value measurement basis to fair value is needed for certain public sector assets.</p> <p>Paragraph 7 of IPSAS 46 requires an item to be initially measured at its transaction price, plus or minus transaction costs for assets and liabilities respectively. In accordance with paragraph 6 of IPSAS 46, transaction price is defined as the consideration given to acquire, construct or develop an asset or received to assume a liability.</p> <p>Subsequently, after initial measurement, paragraph 17 of IPSAS 46 requires an entity to make an accounting policy choice to measure an asset or liability whether on a historical cost basis or a current value basis. The accounting policy choice is reflected through the selection of the measurement bases.</p>	1 January 2025

Summary of Significant Accounting Policies (continued)

5. Application of new and revised International Public Sector Accounting Standards (IPSASs) (continued)

(b) Forthcoming requirements

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

Title	Key requirements	Effective date*
<i>IPSAS 47, Revenue</i>	<p>IPSAS 47 replaces the three revenue standards – IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts and IPSAS 43, Revenue from Non-Exchange Transactions (Taxes and Transfers). The new IPSAS is aligned with IFRS 15, Revenue from Contracts with Customers while broadening its applicability across the public sector. Additional guidance is included to help entities apply the accounting principles to public sector-specific transactions, such as capital transfers⁴ and compelled transactions⁵.³</p> <p>IPSAS 47 outlines two accounting models for the recognition and measurement of public sector revenue transactions based on the existence of a binding arrangement. Paragraph 4 of IPSAS 47 defines a binding arrangement as an arrangement that confers both rights and obligations, enforceable through legal or equivalent means on the parties to the arrangement.</p> <p>Paragraph 29 of IPSAS 47 requires an entity to recognise revenue from a transaction without a binding arrangement when the entity satisfies any obligations associated with the inflow of resources that meet the definition of a liability or immediately if the entity does not have an enforceable obligation associated with the i While aligned in principles, the accounting model for revenue with binding arrangements in IPSAS 47 broadens the approach in IFRS 15 to address public sector transactions. Two key aspects adapted for the public sector are binding arrangements and compliance obligations. Paragraph 87 of IPSAS 47 states that “when an entity receives an inflow of resources in a revenue transaction with a binding arrangement that meets the definition of and recognition criteria for an asset in accordance with paragraphs 18-25, the entity shall recognise revenue for any satisfied compliance obligations in respect of the same inflow and a liability for any unsatisfied compliance obligations in respect of the same inflow”.</p> <p>An entity shall account for a binding arrangement using the binding arrangement accounting model if all the recognition criteria in paragraph 56 from IPSAS 47 are met.</p> <p>When a compliance obligation is satisfied, paragraph 108 of IPSAS 47 requires an entity to recognise as revenue the amount of the transaction consideration that is allocated to that compliance obligation. Paragraph 109 of IPSAS 47 defines transaction consideration as the amount of resources to which an entity expects to be entitled in the binding arrangement for satisfying its compliance obligations, excluding amounts collected on behalf of third parties.</p>	1 January 2025

Summary of Significant Accounting Policies (continued)

5. Application of new and revised International Public Sector Accounting Standards (IPSASs) (continued)

(b) Forthcoming requirements

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

Title	Key requirements	Effective date*
<i>IPSAS 48, Transfer Expenses</i>	<p>IPSAS 48 introduces guidance for transfer expenses, where a transfer provider provides resources to another entity without receiving anything directly in return, which is common in the public sector. The accounting for transfer expenses is driven by whether the transaction results in an enforceable right to have the transfer recipients satisfy their obligations. ³ Paragraph 6 of IPSAS 48 defines a transfer expense as an expense arising from a transaction, other than taxes, in which an entity provides a good, service, or other asset to another entity (which may be an individual) without directly receiving any good, service, or other asset in return.</p> <p>IPSAS 48 presents two accounting models based on the existence of a binding arrangement which are as follows:</p> <p>When a transfer expense arises from a transaction without a binding arrangement, paragraph 18 of IPSAS 48 requires an entity to first consider whether it has a constructive or legal obligation related to the transfer. If so, the entity recognises an expense and a provision under IPSAS 19, Provisions, Contingent Liabilities, and Contingent Assets. The subsequent transfer of resource to the transfer recipient settles the provision and if there is no related constructive or legal obligation, the entity derecognises the assets to be transferred and recognises a transfer expense when it ceases to control these resources.</p> <p>Meanwhile, for transfer expense transaction with binding arrangements, paragraph 24 of IPSAS 48 requires an entity to recognise expenses when a transfer right asset⁶ is derecognised or when a transfer obligation liability is recognised.</p>	1 January 2025

Summary of Significant Accounting Policies (continued)

5. Application of new and revised International Public Sector Accounting Standards (IPSASs) (continued)

(b) Forthcoming requirements

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

Title	Key requirements	Effective date*
<i>IPSAS 49, Retirement benefits</i>	<p>IPSAS 49 establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans, with participants comprising current and former public sector employees and other eligible members. IPSAS 49 guides the accounting and reporting by a retirement benefit plan from the perspective of the plan itself. ⁷</p> <p>The updated chapter includes guidance on prudence, which is not a separate qualitative characteristic in its own right and adds 'obscuring' information to 'misstating' and 'omitting' information as a factor relevant to materiality judgments. ⁸</p> <p>The updated chapter includes guidance on the role of prudence in supporting neutrality in the context of qualitative characteristic of faithful representation. Prudence is the exercise of caution when making judgments under conditions of uncertainty. The exercise of prudence means that assets and revenue are not overstated, and liabilities and expenses are not understated.</p> <p>Paragraph 3.32 of the Conceptual Framework states that information is material if omitting, misstating, or obscuring it could reasonably be expected to influence the discharge of accountability by the entity, or the decisions that users make on the basis of the entity's General Purpose Financial Reports (GPFRs) prepared for that reporting period. Materiality depends on both the nature and amount of the item judged in the particular circumstances of each entity.</p>	1 January 2025

(f) Early Adoption of Standards

The Entity did not early – adopt any new or amended standards in year 2024. The Agency does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Agency in future periods.

(g) New Standards and Interpretations

There are no other *IPSAS* that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

Summary of Significant Accounting Policies (continued)

6. Significant Judgments and Sources of Estimation Uncertainty – IPSAS 1

(a) Judgments

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

- (i) Grant accounting and amortisation
- (ii) Estimation of asset lives and carrying values
- (iii) Determination of fair values of non-current assets
- (iv) Provisions and contingencies

(b) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Agency based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Agency. Such changes are reflected in the assumptions when they occur. Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are

- (i) Review of asset carrying values and impairment charges and reversals
- (ii) Estimation of employee related provisions and post-retirement benefits

(c) Useful lives and residual values

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

- (i) The condition of the asset based on the assessment of experts employed by the Agency;
- (ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- (iii) The nature of the processes in which the asset is deployed.
- (iv) Availability of funding to replace the asset
- (v) Changes in the market in relation to the asset

Summary of Significant Accounting Policies (continued)

6. Significant Judgments and Sources of Estimation Uncertainty – IPSAS 1

(d) Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. Assumptions were used in determining the provision for rehabilitation of landfill sites. Landfill areas are rehabilitated over years and the assumption was made that the areas stay the same in size for a number of years.

7. Changes in Accounting Policies and Estimates – IPAS 3

The Agency recognises the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

8. Foreign Currency Transactions – IPSAS 4

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognised as income or expenses in the period in which they arise.

(9) Revenue

(a) Revenue from Non-Exchange Transactions – IPSAS 23:

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.

- (i) Grant income represents funds received from the Government based on an approved budget. The grant income is recognised on an accrual's basis. An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. As the Agency satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it shall reduce the carrying amount of the liability recognised and recognise an amount of revenue equal to that reduction.
- (ii) Revenue from non-exchange transactions shall be measured at the amount of the increase in net assets recognised. A present obligation arising from a non-exchange transaction that meets the definition of a liability shall be recognised as a liability when, and only when it is probable that an outflow of resources embodying future economic benefits, or a service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Summary of Significant Accounting Policies (continued)

(9) Revenue (continued)

- (iii) **Transfers from Other Government Entities:** Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. Revenues from non-exchange transactions with other government entities are measured at fair value and recognised on obtaining control of the asset if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Agency and can be measured reliably.

b) Revenue from Exchange Transactions – IPSAS 9

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

- (i) **Rendering of services:** The Agency recognises revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are recoverable.
- (ii) **Sale of goods:** Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and the revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Agency.
- (iii) **Interest income:** Interest income is accrued using the effective yield method. The method applies this yield to the principal outstanding to determine interest income each period.

10 Administrative Costs

Operating and administrative costs are accrued as incurred.

11 Taxation

No allowance is made for income or deferred taxes as the Agency is exempt from taxation.

Summary of Significant Accounting Policies (continued)

12 Property, Plant and Equipment – IPSAS 17

(a) Cost and Valuation

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Agency recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

(b) Subsequent Expenditure

The Agency recognises, in the carrying amount of a tangible fixed asset, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Agency and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

(c) Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, with full year depreciation being charged in the year of acquisition. Depreciation rates are:

Buildings	2%
Motor Vehicles	25%
Office and Laboratory Equipment	25%
Furniture and Fittings	25%
Computer Equipment	25%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Summary of Significant Accounting Policies (continued)

12 Property, Plant and Equipment – IPSAS 17 (continued)

(d) De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is de-recognised.

(e) Impairment

At each reporting date, the Agency assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Agency makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

13 Intangible Assets –IPSAS 31

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Amortisation is based on the estimated useful life of the intangible assets, which can be assessed as either finite or indefinite.

14. Inventories – IPSAS 12

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. After initial recognition, inventory is measured at the lower of cost and net realizable value. Inventories are recognised as an expense when deployed for utilisation or consumption in the ordinary course of operations of the Agency.

15. Financial Instruments

(a) Composition

The Agency's financial instruments consist of cash and equivalents, accounts and sundry receivables, accounts payables, employee benefits provision, accrued liabilities and provisions due to sundry suppliers and government departments and/or authorities to whom statutory deductions are due. Cash and cash equivalents, accounts receivable, payables, and accrued liabilities are reflected in the statement of financial position at cost, which approximates to fair value due to the short-term nature of these instruments.

Summary of Significant Accounting Policies (continued)

15. Financial Instruments (continued)

(b) IPSAS 29: Financial Assets

(i) Classification

The Agency's principal financial assets are cash and cash equivalents and accounts receivable from revenue arising from rendering of services and sundry receivables from administrative advances, prepayments and deposits:

- **Cash and cash equivalents** include cash in hand and deposits held at call with banks, including bank overdrafts. Bank overdrafts are shown as net of cash balances within current assets on the statement of financial position.
- **Accounts receivables and sundry receivables** are stated in the balance sheet at original amount less an allowance for any uncollectible amounts. An estimate for impairment is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

The Agency's financial assets are measured subsequently at either amortised cost or fair value.

(ii) Initial recognition and measurement

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

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognised in the surplus or deficit.

(iv) Cash and cash equivalents

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

Summary of Significant Accounting Policies (continued)

15. Financial Instruments (continued)

(v) Impairment of Financial Assets

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

Evidence of impairment may include the following indicators:

- (i) The debtors or a entity of debtors are experiencing significant financial difficulty;
- (ii) Default or delinquency in interest or principal payments;
- (iii) The probability that debtors will enter bankruptcy or other financial reorganization;
- (iv) Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults).
- (v) The Agency recognises a loss allowance for expected credit losses on receivables and contract assets.
- (vi) The expected credit losses on these financial assets are estimated using a provision matrix based on the Agency's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

(vi) De-recognition

The Agency derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

(c) IPSAS 29: Financial liabilities

(i) Classification and Measurement

Financial liabilities are classified according to the substance of the contractual arrangements entered into:

- **Payables and accruals** are stated at their nominal value.
- **Provisions** are recognised when the Agency has a present legal or constructive obligation as a result of a past event, and it is probable that the Agency will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Summary of Significant Accounting Policies (continued)

15. Financial Instruments (continued)

(c) IPSAS 29: Financial liabilities (continued)

- When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(ii) Recognition

Initial recognition and measurement financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Agency determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

(iii) Provisions – IPSAS 19

Provisions are recognised when the Agency has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation and a reliable estimate can be made of the amount of the obligation. Where the Agency expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

(iv) Employee Benefits – IPSAS 25 Retirement Benefit Plans

- (a) The Agency provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an Agency pays fixed contributions into a separate Agency (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.
- (b) **Pension Schemes** –Employees of the Agency are members of the government-managed defined contribution scheme, the *National Pension Scheme*. The Agency 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 Agency with respect to the retirement benefit plan is to make the specified contributions.
- (c) **Other Employee Benefits** - The estimated monetary liability for employees' accrued gratuity pay entitlement at the balance sheet date is recognised as an expense accrual.

Summary of Significant Accounting Policies (continued)

15. Financial Instruments (continued)

(c) IPSAS 29: Financial liabilities (continued)

(d) Gratuity obligations

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

(v) Contingent Liabilities

The Agency does not recognise a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Contingent liabilities are initially measured at fair value.

(vi) De-recognition

The Agency derecognises financial liabilities when, and only when, the Agency's obligations are discharged, cancelled or they expire.

(vii) Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset and net amounts reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(viii) Fair Values of Financial Assets and Liabilities

The carrying amounts of financial assets and liabilities are, in the opinion of the Board Members, not significantly different from their respective fair values due to generally short periods to maturity dates. Liabilities in respect of retirement benefit contributions, which are of a long-term nature are reflected at cost as the benefit plan operated by the Agency is a defined contribution scheme, under which the Agency's liability is limited to shortfalls between total contributions paid and amounts payable as at the reporting date.

(ix) Contingent Assets

The Agency does not recognise a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Agency in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs.

(x) Financial Risks

The Agency's activities expose it to a variety of financial risks. The most important types of risk are *credit risk*, and *liquidity risk*. Policies and exposures on risks and financial instruments are discussed in Note 10 to the financial statements.

Summary of significant Accounting Policies (continued)

16. Capital Maintenance

Capital resources comprise accumulated funds and unamortised portions of grant balances. The Agency's objectives for the management of capital are to safeguard its ability to continue as a going concern. The Agency considers its cash and cash equivalents to be the manageable capital from its financial resources. The Agency's policy is to maintain sufficient cash balances to cover operating and administration costs over a reasonable future period. The Agency currently has no externally-imposed capital requirements except to maintain sufficient cash balances. It creates and maintains reserves in terms of specific requirements and only maintains accumulated funds as its reserves.

17. Comparative figures

Where necessary, comparatives have been reclassified to fit with presentations in the current period.

18. Budget information – IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Agency. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or Agency differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. *IPSAS 24* applies to entities that require or elect to make publicly available their approved budget. The Agency is not required and does not make its budget publicly available.

Notes to the financial statements

	2024 ZMW	2023 ZMW
19. Appropriation in Aid		
Appropriation in Aid	75,757,065	75,157,065
Appropriation from GRZ	<u>75,757,065</u>	<u>75,157,065</u>
(a) Revenue Grants		
Revenue grants from GRZ represents Appropriation in Aid received from government, charged to income in the period of receipt.		
20. Other income		
Interest Received	1,084,969	574,865
Interest on Staff Loans	243,581	255,791
Rental Income	-	2,000
Pacra IP Holding	3,910,962	-
Profit on Disposal	113,050	5,613
Sundry Receipts	262,759	14,386
Exchange gains/losses	147,214	-
	<u>5,762,535</u>	<u>852,655</u>
21. Costs of Operating Activities		
Inspections	51,000	-
Mobile Registrations	-	59,981
Monitoring of Regional Offices	158,845	208,181
Prosecutions and Collaborations	67,462	71,702
Review and Development of Laws	1,457	106,491
Regional Office Audits	68,684	71,315
Transfers	135,076	252,638
	<u>482,524</u>	<u>770,308</u>

Notes to the financial statements (continued)

22. Property, Plant and Equipment

	Buildings ZMW	Motor Vehicles ZMW	Furniture Equipment ZMW	CWIP ZMW	Totals ZMW
At 1 January 2024	19,169,308	3,250,000	1,967,259	454,243	24,840,810
Additions	-	-	750,000	-	750,000
Balance at 31 December 2024	19,169,308	3,250,000	2,717,259	454,243	25,590,810
Depreciation					
At 1 January 2024	3,863,872	812,500	552,077	-	5,228,449
Charge for the Period	404,274	812,500	538,690	-	1,755,464
Balance at 31 December 2024	4,268,146	1,625,000	1,090,767	-	6,983,913
Net Book Value					
Balance at 31 December 2023	15,305,436	2,437,500	1,415,182	454,248	19,612,361
Balance at 31 December 2024	14,901,162	1,625,000	1,626,492	454,243	18,606,897
Cost					
At 1 January 2023	19,169,308	5,259,118	9,695,503	454,243	34,578,172
Elimination on revaluation	-	(5,166,490)	(8,103,652)	-	(13,270,142)
Revaluation surplus	-	3,157,372	258,023	-	3,415,395
Additions	-	-	117,385	-	117,385
Balance at 31 December 2023	19,169,308	3,250,000	1,967,259	454,243	24,840,810
Depreciation					
At 1 January 2023	3,459,598	5,166,490	8,184,482	-	16,810,570
Elimination on revaluation	-	(5,166,490)	(8,103,652)	-	(13,270,142)
Charge for the Period	404,274	812,500	471,247	-	1,688,021
Balance at 31 December 2023	3,863,872	812,500	552,077	-	5,228,449
Net Book Value					
Balance at 31 December 2022	15,709,710	92,628	1,511,021	454,243	17,767,602
Balance at 31 December 2023	15,305,436	2,437,500	1,415,182	454,243	19,612,361

Notes to the financial statements (continued)

	2024	2023
	ZMW	ZMW
23. Intangible asset		
(a) Analysis of balances		
Cost	10,312,158	10,312,158
Additions	-	-
At 31 December	<u>10,312,158</u>	<u>10,312,158</u>
(b) Amortisation		
At beginning of the period	10,312,158	10,312,158
Charge for the year	-	-
At 31 December	<u>10,312,158</u>	<u>10,312,158</u>
Balance as at 31 December 2024	<u>-</u>	<u>-</u>

24 Leases

24.1 The Agency holds leases for properties used in its operations. The Agency has separately accounted for land and buildings. As a result, all land has been classified as a lease, with a recognition of a right- of-use asset and no lease liability has been recognised as the lease rental are minimal and are directly expensed.

The properties subject to long-term leases are as follows:

No	Property Description	No. of years end of lease
1	Sub division B of ' stand no. 8471, PACRA, Lusaka	54
2	Stand No / Lusaka 3169.685	94
3	Stand No.1962, Chinsali	96

24.2 Right of use assets

(a) Cost/ valuation		
At 1 January	6,211,348	6,211,348
Additions	-	-
At 31 December	<u>6,211,348</u>	<u>6,211,348</u>
(b) Depreciation		
At 1 January	112,934	-
Charge for the year	112,934	112,934
At 31 December	<u>225,868</u>	<u>112,934</u>
Net book value	<u>5,985,480</u>	<u>6,098,414</u>

Notes to the financial statements (continued)

25. Inventory

Office Consumables	199,227	199,387
	<u>199,227</u>	<u>199,387</u>

26. Other Financial Assets

Trade Receivables	36,523	9,600
PAYE Receivable	1,002,679	1,272,406
Staff Receivables	8,420,176	5,669,229
Sundry Receivables	-	1,025
	<u>9,459,378</u>	<u>6,952,260</u>

27. Cash and Cash Equivalents

(a) Operations Accounts – Bank

Chipata	1,097	897
Choma	4,758	2,338
Chinsali	340	240
Kabwe	5,254	339
Kasama	2,452	76
Kitwe	8,567	3,037
Livingstone	2,665	7,255
Lusaka*	1,275,841	7,521,838
Mansa	600	4,148
Mongu	275	187
Ndola-	2,608	1,408
Solwezi	761	181
	<u>1,305,218</u>	<u>7,541,944</u>

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Notes to the financial statements (continued)

27. Cash and Cash Equivalents (continued)	2024 ZMW	2023 ZMW
(b) General Accounts -Bank		
Collection Account	640,944	725,530
Revolving Account	6,582,148	2,799,957
Finance Bank	3,004	1,474
NATSAVE BANK	1,826	1,869
	<u>7,227,922</u>	<u>3,528,830</u>
(c) Mobile Money Collection Accounts		
543 Mobile Money Collection Account	<u>800,214</u>	<u>7,840</u>
(d) Petty Cash		
Chipata	966	1,165
Kabwe	1,300	1,710
Kasama	425	960
Kitwe	125	2,760
Livingstone	660	1,370
Lusaka	5,221	3,946
Mansa	1,538	214
Mongu	608	521
Ndola	1,416	96
Solwezi	1,615	1,621
	<u>13,874</u>	<u>14,363</u>
e) Investments at amortised cost		
Fixed Deposit	<u>9,300,955</u>	<u>8,215,986</u>
	<u>9,300,955</u>	<u>8,215,986</u>
f) Other Accounts		
ARIPO Funds Holding Account (USD)	<u>1,288,270</u>	-
	<u>1,288,270</u>	-
Balance at close of year	<u>19,936,553</u>	<u>19,308,963</u>

Notes to the financial statements (continued)

	2024 ZMW	2023 ZMW
28. Payables, Accruals and Provisions		
Trade Creditors	1,632,150	162,029
Moveable Property Prepayments	266,614	255,696
Prepaid Income	408,439	354,294
Audit Provisions	92,232	80,520
GRZ Transit Account	876,374	221,612
PAYE	2,361,758	2,478,890
Other Creditors	22,966	-
Purchase accrual	203,310	-
Impairment Provision	80,272	80,272
Balance at Close of Year	5,944,115	3,633,313

29. Employee benefit obligations

Current liability

Leave Days	4,643,600	4,810,674
	4,643,600	4,810,674

30. Financial instruments

The Centre faces exposure to the following financial risks:

- (a) Total financial instruments

31 December 2024				
	Receivables		Assets at Amortized Cost	Total
<u>Assets as per statement of financial position</u>				
Loans and Receivables:				
-Trade and Other receivables	9,459,378	-	-	9,459,378
-Cash and Equivalents	10,635,598	-	9,300,955	19,936,553
Total	20,094,976	-	9,300,955	28,768,341
		Liabilities at Fair Value through P & L	Other Financial Liabilities at Amortized Cost	Total
<u>Liabilities as per statement of financial position</u>				
Other Financial Liabilities		-	5,944,115	5,944,115
Trade and Other Payables		-	4,643,600	4,643,600
Total		-	10,587,715	10,587,715

Notes to the financial statements (continued)

31. Financial instruments (continued)

31 December 2023				
	Receivables	Assets at Fair Value through P & L	Assets at Amortized Cost	Total
Assets as per statement of financial position				
Loans and Receivables:				
-Trade and Other receivables	6,952,260	-	-	6,952,260
-Cash and Equivalents	11,092,977	-	8,215,986	19,308,963
Total	18,045,237	-	8,215,986	26,261,223
Liabilities as per statement of financial position				
Other Financial Liabilities		-	4,810,674	4,810,674
Trade and Other Payables		-	3,633,313	3,633,313
Total		-	8,443,987	8,443,987

The Centre faces exposure to the following financial risks:

(b) Credit Risk

The Agency takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Agency by failing to pay amounts in full when due. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. As shown below, exposure to credit risk is represented by cash balances and amounts due on accounts receivables:

	2024	2023
Cash and bank balances	19,936,553	19,308,963
Receivables	9,459,378	6,952,260
	29,395,931	26,261,223

The Agency's primary credit exposure from illiquidity of cash and cash equivalents amounted to **ZMW 19.937 million (2023: ZMW 19.309 million)**. At the balance sheet date, other significant concentrations of credit risks lay in sundry receivables, which at the reporting date amounted to **ZMW 9.459 million (2023: ZMW 6.952 million)**, gross of provisions. The nature of services offered by the Agency means it does not have significant credit risk exposure to a single counterparty.

Notes to the financial statements (continued)

31. Financial instruments (continued)

For receivables, the Agency has applied the simplified approach to measure the loss allowance at lifetime ECL. The Agency determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

At the balance sheet date, other significant concentrations of credit risks lay in receivables, which at the reporting date amounted to. The nature of services offered by the Agency means it does not have significant credit risk exposure to a single counterparty.

(c) Currency Risk

The Agency is not exposed to foreign currency exchange risks on its bank balances and unspent portion of capital grant balances in deferred revenue.

(d) Liquidity Risk and Interest Rate Risk

The Agency's activities expose it to a variety of financial risk: market risk (including interest and liquidity risk). This is monitored on a daily basis by management and controlled as far as reasonably possible to minimise the risk of mismatches between current liabilities and current assets. The table below summarises the Agency's interest and liquidity risks:

	Up to 1 Month	1-3 Months	4-12 Months	1-5 years	Total
As at 31 December 2024					
Non-interest bearing	1,583,954	4,751,861	12,671,628	-	19,007,443
	1,583,954	4,751,861	12,671,628	-	19,007,443
As at 31 December 2023					
Non-interest bearing	1,501,385	4,504,156	12,011,082	-	18,016,623
	1,501,385	4,504,156	12,011,082	-	18,016,623

(e) Fair Value Estimation

The different levels of determining fair value, by valuation method, have been defined as follows: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly prices) or indirectly derived from prices); and Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). The Centre had no financial instruments carried at fair value, by valuation method.

Notes to the financial statements (continued)

32. Related parties

(a) Identity of related parties

The Agency has a common enterprise relationship with Government of the Republic of Zambia. Related parties include members of the Agency's Board and key Management team.

(b) Control and governance of the Agency

The Agency 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 Agency, however, is vested in the Board.

(c) Key management of the Agency

The key management of the Agency i.e. officers other than Board members with the ability, directly or indirectly, to control or exercise significant influence over the Agency 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 Agency. 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.

	2024 ZMW	2023 ZMW
i) Government Funding received	<u>75,757,066</u>	<u>75,157,065</u>
ii) Board Expenses	<u>1,326,920</u>	<u>879,596</u>
iii) Key management remuneration	<u>6,579,649</u>	<u>6,579,649</u>

33. Capital Management

The Agency's objectives when managing capital are to safeguard the Agency's ability to continue as a going concern in order to provide returns to controlling interests and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Agency monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

Notes to the financial statements (continued)

34. Capital Management (continued)

The gearing ratios as at 31 December 2024

	2024 ZMW	2023 ZMW
Debt	-	-
Cash	(19,936,553)	(19,308,963)
Net debt	(19,936,553)	(19,308,963)
Equity	42,041,669	41,163,059
Net debt to equity ratio	-47.42%	-46.91%

35. Capital Commitments

The Agency had no capital commitments at the year end.

36. Contingent liabilities

As at the reporting date, there were no known contingent liabilities.

37. Events occurring after balance sheet date

IPSA 14 requires the Agency to disclose the date on which the accounts are authorised for issue by the Board. The annual report and accounts were authorised by the Board for issue on the date of the signature of the directors and the date of the auditor's report.

The Agency has evaluated subsequent events through to the date the financial statements were available for issuance, and has determined that there has not arisen since the end of the period any transaction or event of a material and unusual nature likely, in the opinion of management, to affect substantially the operations of the Agency, the results of those operations or the state of affairs of the Agency in subsequent financial periods.

Appendix I

Employee Costs and benefits

	2024 ZMW	2023 ZMW
<u>Wages and Salaries</u>		
Basic Pay	31,097,429	31,808,271
Acting Allowance	835,713	1,195,704
Car Allowance	1,627,905	1,369,356
Education Allowance	-	996,103
Entertainment Allowance	22,390	15,000
Fuel Allowance	4,203,950	4,110,211
Holiday Allowance	-	445,548
Housing Allowance	10,796,763	9,918,979
Overtime Allowances	234,403	236,605
Security Allowance	-	64,615
Servants Allowance	-	60,000
Transport Allowance	4,453,634	3,977,859
Utilities Allowance	-	14,769
	53,272,187	54,213,020
<u>Benefits</u>		
Gratuity	4,403,049	4,591,612
Leave Pay	3,269,735	5,046,493
Medical Scheme	1,253,883	1,072,330
NAPSA Employer Contributions	2,083,337	1,955,890
NHIS	310,981	289,065
Pension	1,878,850	1,850,468
Subscriptions-Club and Gym	-	35,658
Subscriptions-Professional	358,265	305,368
	13,558,100	15,146,884
<u>Other Employee Costs</u>		
Staff Training and Welfare	135,172	104,394
Bonus Costs	-	29,522
	135,172	133,916
	66,965,459	69,493,820

Appendix II

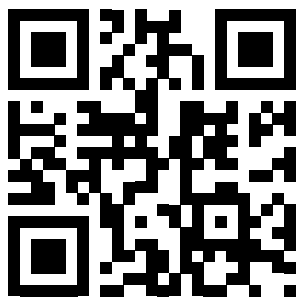
Recurrent expenditure

	2024 ZMW	2023 ZMW
<i>Amounts are Stated in Zambian Kwacha</i>		
Administrative Council and Meetings	-	273,726
Advertising & Promotions	82,165	324,209
Audit Fees	128,944	194,503
Bank Charges	203,651	444,152
Board and Committee Expenses	1,326,920	879,596
Budget Preparation	2,439	-
Cleaning Expenses	288,546	268,381
Committee Expenses	30,881	125,220
Donations and Promotions	30,035	2,070
Electricity and Water	263,841	299,727
Expended Assets	-	6,574
VAT on assets acquired	103,448	-
ICT Spares and Accessories	122,802	388,484
Insurance	700,888	709,652
International Day Celebrations	18,395	110,644
IT Systems Maintenance and Back Up	135,297	48,119
Motor Vehicle Expenses	564,291	481,655
Office Administration	264,901	92,200
Postage, Telephone & Internet	1,448,123	1,132,105
Print & Stationery	929,643	674,398
Refreshments	210,189	230,888
Regional Preventive Maintenance	108,763	88,800
Rent and Rates	912,998	405,708
Repairs & Maintenance	206,375	265,506
Security Expenses	342,179	282,452
Software Licenses	1,028,698	942,243
Stakeholder Engagement & Workshops	101,171	580,565
Strategic Planning	6,430	6,233
Subscription	-	7,267
Trade Fairs and Shows	240,527	385,288
Website and Data Links	323,635	167,399
ARIPO Funded IP Promotion Activities	2,157,679	-
Workers Compensation	46,944	-
	12,330,797	9,817,764

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