

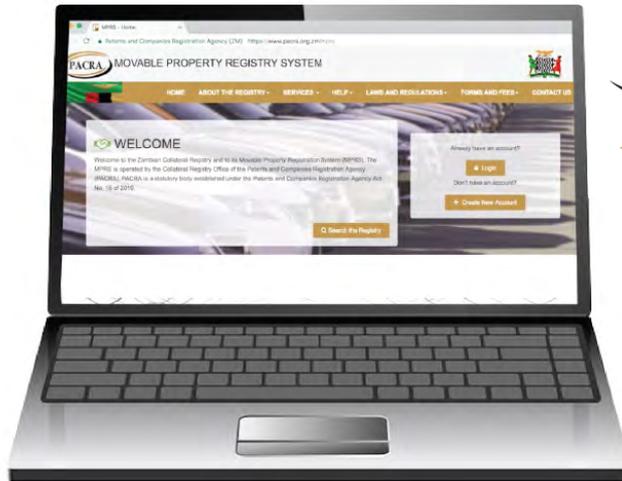


PATENTS AND COMPANIES  
REGISTRATION AGENCY

# ANNUAL REPORT

---

2019



**MPRS**  
Movable Property Registry System

## *How can I use the MPRS?*

*You have to sign-up to get a user account before you can use the system*

Brought to you by 



*Your Movable Property has value!  
It can be collateral for a loan*

Brought to you by 

# TABLE OF CONTENTS

|  |    |
|--|----|
| TABLE OF CONTENTS .....  | 3  |
| ACRONYMS .....   | 5  |
| LIST OF TABLES .....   | 6  |
| LIST OF FIGURES .....  | 7  |
| BOARD CHAIRPERSON'S MESSAGE .....  | 8  |
| CHIEF EXECUTIVE OFFICER'S MESSAGE .....  | 9  |
| 1. ABOUT PACRA .....   | 11 |
| 1.1. Values .....  | 12 |
| 1.4. Functions of the Agency .....   | 13 |
| 1.2. Vision .....  | 13 |
| 1.3. Mission statement .....   | 13 |
| STATEMENT ON CORPORATE GOVERNANCE .....  | 14 |
| 3. PACRA MANAGEMENT .....  | 19 |
| 4. ORGANISATIONAL STRUCTURE .....  | 20 |
| 4. LAW AND POLICY REFORM .....   | 21 |
| 4.1. OPERATIONALISATION OF THE COMPANIES AND CORPORATE IN<br>SOLVENCY ACTS ..... | 21 |
| 4.2. REVIEW OF THE COPYRIGHT AND PERFORMANCE RIGHTS ACT .....                    | 21 |
| 5. STAKEHOLDER ENGAGEMENTS .....   | 21 |
| 5.1. INSOLVENCY PRACTITIONERS TRAINING .....                                     | 21 |
| 5.2. INSOLVENCY LAW TRAINING OF ZICA MEMBERS .....                               | 21 |
| 5.3. TRAINING ON COLLATERAL REGISTRY .....                                       | 21 |
| 5.4. SENSITISATION WORKSHOPS ON THE NEW COMPANIES ACT .....                      | 21 |
| 5.5. WORKSHOP ON BENEFICIAL OWNERSHIP DISCLOSURE .....                           | 22 |
| 5.6. JUDGES COLLOQUIUM .....   | 22 |
| 5.7. CUSTOMER CARE TRAINING WORKSHOP .....                                       | 22 |
| 5.8. ACCREDITATION OF INSOLVENCY PRACTITIONERS .....                             | 22 |
| 6. AWARENESS, INFORMATION DISSEMINATION AND COMPLIANCE .....                     | 23 |
| 6.1. FAIRS AND EXHIBITIONS .....   | 23 |
| 6.2. COPYRIGHT INSPECTION AND SENSITISATION PROGRAMMES .....                     | 24 |
| 6.3. LICENCE DISPUTE RESOLUTION .....  | 24 |
| 6.4. BULK SMSS AND FIELD INSPECTIONS .....                                       | 24 |
| 6.5. TRADEMARK RENEWAL REMINDERS .....   | 24 |
| 6.6. COLLABORATION WITH LOCAL AUTHORITIES .....                                  | 25 |
| 7. STUDY VISITS TO THE AGENCY .....  | 25 |

|       |   |    |
|-------|---|----|
| 7.1.  | STUDY VISIT FROM ZIMBABWE INVESTMENT AUTHORITY.....                                   | 25 |
| 7.2.  | VISIT FROM THE RESERVE BANK OF ZIMBABWE.....  | 25 |
| 8.    | MEETINGS AND CONFERENCES .....  | 25 |
| 8.1.  | AFRICA ROUND TABLE ON INSOLVENCY REFORM .....   | 25 |
| 8.2.  | ADMINISTRATIVE COUNCIL OF THE AFRICA INTELLECTUAL PROPERTY ORGANISATION (ARIPO) ..... | 25 |
| 8.3.  | ASSEMBLIES OF THE WORLD INTELLECTUAL PROPERTY ORGANISATION .....                      | 26 |
| 8.4.  | MOU WITH THE EUROPEAN UNION INTELLECTUAL PROPERTY OFFICE.....                         | 27 |
| 8.5.  | SPONSORSHIP OF JUNIOR ENGINEERS, TECHNICIANS AND SCIENTISTS (JETS) AWARDS .....       | 27 |
| 8.6.  | TECHNOLOGY AND INNOVATION SUPPORT CENTRES NETWORK FOR ZAMBIA.....                     | 27 |
| 8.7.  | INCREASE IN LOCAL PATENT APPLICATIONS .....   | 28 |
| 8.8.  | WORLD INTELLECTUAL PROPERTY DAY CELEBRATIONS .....                                    | 28 |
| 9.    | HUMAN RESOURCES AND ADMINISTRATION .....  | 29 |
| 9.1.  | RECRUITMENTS .....  | 29 |
| 9.2.  | BEREAVEMENT .....   | 29 |
| 9.3.  | HEALTH AND WELLNESS.....  | 29 |
| 9.4.  | TRAINING AND STAFF DEVELOPMENT .....  | 29 |
| 10.   | STATISTICS .....  | 30 |
| 10.1. | COMPANIES AND BUSINESS NAMES STATISTICS.....  | 30 |

## ACRONYMS

|                  |  |
|------------------|--|
| <b>AG</b>        | - Attorney General   |
| <b>AfCTA</b>     | - African Continental Free Trade Area  |
| <b>ARIPO</b>     | - African Regional Intellectual Property Organisation                                  |
| <b>ART</b>       | - African Round Table  |
| <b>BOZ</b>       | - Bank of Zambia   |
| <b>CAMINEX</b>   | - Copperbelt Agricultural Mining Industrial Networking Enterprise                      |
| <b>CMOs</b>      | - Collective Management Organisations  |
| <b>DPP</b>       | - Director of Public Prosecutions  |
| <b>EUIPO</b>     | - European Union Intellectual Property Office  |
| <b>FIC</b>       | - Financial Intelligence Centre  |
| <b>FSDZ</b>      | - Financial Sector Deepening Zambia  |
| <b>GIs</b>       | - Geographical Indications   |
| <b>IAS</b>       | - International Accounting Standards   |
| <b>IASB</b>      | - International Accounting Standards Board   |
| <b>ICT</b>       | - Information Communication Technology   |
| <b>IESBA</b>     | - International Ethics Standards Board for Accountants                                 |
| <b>IFC</b>       | - International Finance Corporation  |
| <b>IFRS</b>      | - International Financial Reporting Standard   |
| <b>IGC</b>       | - Intergovernmental Committee on Genetic Resources, Traditional Knowledge and Folklore |
| <b>IP</b>        | - Intellectual Property  |
| <b>IPAS</b>      | - Intellectual Property Automation System  |
| <b>IPRs</b>      | - Intellectual Property Rights   |
| <b>ISA</b>       | - International Standards on Auditing  |
| <b>IT</b>        | - Information Technology   |
| <b>JETS</b>      | - Junior Engineers, Technicians and Scientists   |
| <b>MCTI</b>      | - Ministry of Commerce, Trade & Industry   |
| <b>MPRS</b>      | - Movable Property Registry System   |
| <b>MSMEs</b>     | - Micro, Small and Medium Enterprises  |
| <b>NAPSA</b>     | - National Pension Scheme Authority  |
| <b>NASDEC</b>    | - National Sports Development Centre   |
| <b>PACRA</b>     | - Patents and Companies Registration Agency  |
| <b>PCT</b>       | - Patent Cooperation Treaty  |
| <b>RUFEP</b>     | - Rural Finance Expansion Program  |
| <b>R &amp; D</b> | - Research & Development   |
| <b>SIs</b>       | - Statutory Instruments  |
| <b>TISCs</b>     | - Technology and Innovative Support Centres  |
| <b>TRIPS</b>     | - Trade-Related Aspects of Intellectual Property Rights                                |
| <b>WIPO</b>      | - World Intellectual Property Organisation   |
| <b>ZACCI</b>     | - Zambia Association of Chambers of Commerce and Industry                              |
| <b>ZAMCOPS</b>   | - Zambia Music Copyright Protection Society  |
| <b>ZARRSO</b>    | - Zambia Reprographics Rights Society  |
| <b>ZDA</b>       | - Zambia Development Agency  |
| <b>ZEITI</b>     | - Zambia Extractive Industries Transparency Initiative                                 |
| <b>ZIM</b>       | - Zambia Institute of Marketing  |
| <b>ZRA</b>       | - Zambia Revenue Authority   |

## LIST OF TABLES

|  |    |
|--|----|
| Table 1: Board Meetings Held.....  | 15 |
| Table 2: Audit and Risk Management Committee Meetings Held.....              | 16 |
| Table 3: Administration and Operations Committee Meetings Held.....          | 16 |
| Table 4: Finance and Projects Committee Meetings Held .....                  | 16 |
| Table 5: Positions filled in 2019.....                                       | 29 |
| Table 6: Business Registrations by Gender.....                               | 30 |
| Table 7: Registration of Businesses by Province 2019 .....                   | 31 |
| Table 8: Registration of Business by Sector 2019.....                        | 32 |
| Table 9: Foreign Online Service Users.....                                   | 34 |
| Table 10: Local Online Users by Town 2016 to 2019.....                       | 35 |
| Table 11: Payment Methods Used for Online Services 2016 to 2019 .....        | 36 |
| Table 12: Collateral Used for Financing Statements 2017 to 2019.....         | 38 |
| Table 13: Debtors by Province 2017 to 2019.....                              | 39 |
| Table 14: Total value of financing facilitated Type 2019.....                | 40 |
| Table 15: Total Facilities provided by Debtor Type 2017 to 2019.....         | 40 |
| Table 16: Total Facilities provided by Female Debtors Type 2017 to 2019..... | 41 |
| Table 17: Total Facilities provided by Lender Type 2017 to 2019.....         | 41 |
| Table 18: Client Queries by Source.....                                      | 42 |
| Table 19: Client Queries by Service Type.....                                | 42 |
| Table 20: Most Common Queries.....   | 42 |
| Table 21: Insolvency Applications.....                                       | 43 |
| Table 22: Accreditations by Professions.....                                 | 44 |
| Table 23: Accreditation by Town.....   | 44 |
| Table 24: Accreditation by Province .....                                    | 45 |
| Table 25: ARIPO Patents Statistics .....                                     | 45 |
| Table 26: Industrial Designs.....  | 46 |
| Table 27: Trademarks Statistics .....  | 47 |
| Table 28: Patents Statistics.....  | 47 |
| Table 29: Copyright Statistics.....  | 48 |
| Table 30: Journal Publications.....  | 48 |
| Table 31: Holograms Affixed.....   | 49 |

## LIST OF FIGURES

|  |    |
|--|----|
| Figure 1: PACRA physical presence .....  | 11 |
| Figure 2: PACRA Core Values.....   | 12 |
| Figure 3: PACRA Organogram.....  | 20 |
| Figure 4: Business Registrations.....  | 30 |
| Figure 5: Business Registrations by Gender .....                               | 31 |
| Figure 6: Registration of Businesses by Province 2019 .....                    | 31 |
| Figure 7: Registration of Business by Sector 2019.....                         | 32 |
| Figure 8: Deregistration of Business 2016 to 2019 .....                        | 33 |
| Figure 9: Annual Returns 2016 to 2019 .....                                    | 33 |
| Figure 10: Online Service 2016 to 2019 .....                                   | 34 |
| Figure 11: Foreign Online Service Users.....                                   | 35 |
| Figure 12: Local Online Users by Town 2016 to 2019.....                        | 36 |
| Figure 13: Payment Methods Used for Online Services 2016 to 2019.....          | 36 |
| Figure 14: Registration of Business 2019.....                                  | 37 |
| Figure 15: Online Registration by Business Type 2016 to 2019.....              | 37 |
| Figure 16: MPRS Service Applications 2017 to 2019 .....                        | 38 |
| Figure 17: Collateral Used for Financing Statements 2017 to 2019.....          | 39 |
| Figure 18: Debtors by Province 2017 to 2019.....                               | 39 |
| Figure 19: Total Facilities provided by Debtor Type 2017 to 2019.....          | 40 |
| Figure 20: Total Facilities provided by Female Debtors Type 2017 to 2019 ..... | 41 |
| Figure 21: Total Facilities provided by Lender Type 2017 to 2019.....          | 42 |
| Figure 22: Insolvency Applications.....  | 43 |
| Figure 23: Accreditations by Professions .....                                 | 44 |
| Figure 24: Accreditation by Town .....   | 44 |
| Figure 25: Accreditations by Province.....                                     | 45 |
| Figure 26: ARIPO Patents Statistics.....                                       | 46 |
| Figure 27: Designs .....   | 46 |
| Figure 28: Trademarks Statistics.....  | 47 |
| Figure 29: Patents Statistics.....   | 48 |
| Figure 30: Copyright Statistics .....  | 48 |
| Figure 31: Journal Publications .....  | 49 |

## BOARD CHAIRPERSON'S MESSAGE



I am pleased to present to you the 2019 Annual Report of the Patents and Companies Registration Agency (PACRA).

The year 2019 was significant for the Agency in many ways. The Companies Act No. 10 of 2017 was fully operationalised by the promulgation of the Companies (General) Regulations Statutory Instrument No. 14 of 2019, Companies (Fees) Regulations Statutory Instrument No. 15 of 2019 and the Companies (Prescribed Forms) Regulations Statutory Instrument No. 21 of 2019.

In relation to Corporate Insolvency, the Minister issued Statutory Instruments No. 40 and 41 of 2019. The Statutory Instruments, among other things provide guidelines on remuneration of Insolvency Practitioners. The Agency also began accreditation of Insolvency practitioners during the year under review.

As a Board, we have continued to provide strategic oversight on the implementation of the Agency's Strategic Plan for 2016-2020. In the year under review, the Board and Management carried out a comprehensive review of the Plan to ensure that its implementation remains on course and aligned to the 7th National

Development Plan. The review was also meant to tackle any challenges or changes including in law that may affect the successful implementation of the Strategic Plan.

This year will mark the end of the Strategic Plan which was launched in 2016 under the theme "*Repositioning for enhanced access, efficiency and effectiveness in service delivery*". The Agency intends to reposition itself by taking stock of and building on the successes recorded during the 2016 to 2020 strategic plan period. Additionally, the Agency will in the coming year embark on developing a new strategic plan for the period 2021 to 2025.

In conclusion, I wish to sincerely thank the Government of the Republic of Zambia, particularly the Ministry of Commerce, Trade and Industry and our stakeholders for their support during the year under review. I also thank sincerely my colleagues, the members of the Board, who are highly qualified individuals and who bring requisite skills mix to the work of the Board, for their hard work, dedication and wise counsel. Their collective wisdom and advice to Management serves as the robust engine that drives the Agency to become the premier service provider to business.

I also wish to express gratitude to Management and Staff for their hard work, resilience and commitment to ensuring that the Agency becomes a beacon of excellence in business and intellectual property rights registration, promotion and protection.

Prof. Mpazi Sinjela  
**BOARD CHAIRPERSON.**

## CHIEF EXECUTIVE OFFICER'S MESSAGE



The year 2019 was an exciting year for the Agency. Being the last but one year of our Strategic Plan (2016-2020), we embarked on various activities aimed at ensuring that we achieve most of the specific objectives set in the strategic plan.

Further, the global increase in entrepreneurship, creativity and innovation presented an opportunity for the Agency to introduce various initiatives to ensure that the Agency was poised to achieve on its mission statement "To provide customer-focused, efficient and effective business registration services, and protect intellectual property rights in order to promote orderly trade, job creation and industrialisation for the benefit of the nation".

Below are some of the highlights of the year 2019;

### 1. Increased Registration and Annual Return Filing

The Agency recorded an increase of 12% in business registrations and 4% in the number of Annual Returns filed by businesses. One of the major contributing factors for the increase was the partnership with the

Rural Finance Expansion Programme (RUFEP), which enabled the Agency to reach the remotest areas of the country. Under the partnership, the Agency covered more than 35 rural districts countrywide where it provided mobile registration services and awareness on the Movable Property Registry System.

Further, we recorded a sharp increase in the number of patent filings by local applicants. Of the total patents filed, 70% were local and 30% foreign. It is pleasing to note that this was the first time in our long history that the number of local patent applications exceeded foreign ones. I wish to pay tribute to our inventors and wish to encourage them to continue protecting their inventions in 2020 and beyond.

### 2. Compliance and Enforcement

During the year, we identified companies that were non-compliant with the requirement to file annual returns. We also identified companies that were operating below the statutory minimum nominal capital as required by the law. These companies were encouraged to comply with the law or face deregistration.

The Agency will continue with efforts to engage all registered businesses to comply with post-registration requirements such as filing of annual returns. It is noteworthy that annual return penalties have been re-introduced in an attempt to enhance compliance. Thus, a failure to file an annual return on the date it is due attracts a penalty.

I therefore wish to encourage all registered businesses to comply with the law in respect of filing annual returns to avoid penalties or in worse situations, being deregistered.

### 3. Business Rescue

I am also pleased to inform the business community and other stakeholders that the new Corporate Insolvency Act No. 9 of 2017 has introduced business rescue mechanisms.

Business rescue, also known as administration was introduced to offer an opportunity for survival to financially distressed companies. The objective of business rescue is to safeguard the interests of various stakeholders by ensuring that financially distressed companies are saved from collapsing and allowed to continue as going concerns. The Agency is confident that this mechanism will protect most companies that may be undergoing temporary financial trouble but are still viable entities that could be saved from liquidation or being prematurely wound up.

### 4. Awards

I am pleased to note that our institution was awarded the prestigious *Best Public Service Delivery Award* for 2019 at the Zambia Institute of Marketing Awards Ceremony held in Livingstone. Additionally, the Agency received the 2nd prize in the category of Best E-Transformation and 3rd prize in the category of Best Innovation in Citizen Centred Service Delivery by Cabinet Office at the Africa Public Service Day Road Show.

We are encouraged by these awards which we believe are a testimony of stakeholder recognition of our initiatives in improving the quality of our service delivery. We will continue to seek implementation of initiatives that do not only take our services closer to our clients but also simplify our processes.

### 5. Conclusion

In conclusion, I wish to express my gratitude to the Ministry of Commerce, Trade and Industry (MCTI), the Bank of Zambia (BoZ), RUFEP and the World Bank for the support rendered to the institution in the year 2019. I also wish to thank the Board of Directors for the guidance and support as well as Management and Staff for the effort and commitment shown during the year 2019.



Anthony Bwembya

**REGISTRAR & CHIEF EXECUTIVE OFFICER**

## 1. ABOUT PACRA

The Patents and Companies Registration Agency (PACRA also referred to as the Agency) is a Statutory Body under the Ministry of Commerce, Trade and Industry. PACRA was established under the Patents and Companies Registration Agency Act No. 15 of 2010 with the principal mandate of providing Business Registration and Intellectual Property registration services. The Agency confers Intellectual Property Rights and serves as a legal repository for Business Registration and Intellectual Property Rights information.

The following are currently the services provided by the Agency:

- i. Industrial Designs Registration,
- ii. Trademarks Registration,
- iii. Granting of Patents,
- iv. Registration of Copyright and Related Rights,
- v. Companies Incorporation,
- vi. Business Names Registration,
- vii. Registration of Security Interests in Movable Property,
- viii. Accreditation of Corporate Insolvency Practitioners,
- ix. Establishment of the Business Regulatory Services Centres,
- x. Protection of Traditional Knowledge, Genetic Resources and Expressions of Folklore, and
- xi. Registration of Integrated Circuits,
- xii. Registration of lay-out designs

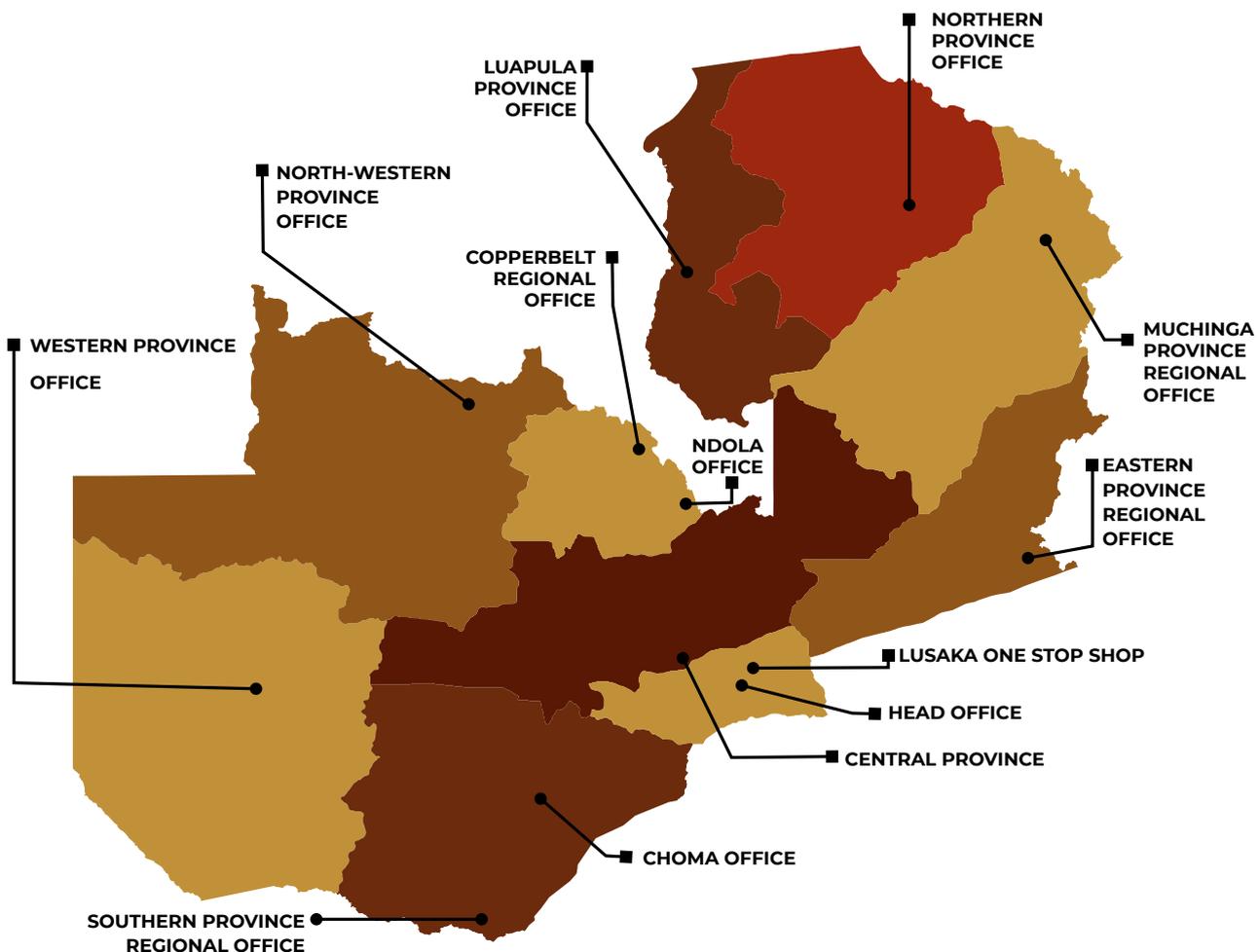


Figure 1: PACRA physical presence

## 1.1. CORE VALUES

In its quest to provide efficient and effective customer centric services, PACRA has committed itself to the following seven (7) core values:



**Figure 2: PACRA Values**

The Agency, in practising the above core values, has committed itself to enhancing its corporate image, instilling public confidence and providing excellent customer service.

## 1.2. VISION

*“A beacon of excellence in business and intellectual property rights registration, promotion and protection.”*

## 1.3. MISSION STATEMENT

*“To provide customer-focused, efficient and effective business registration services, and protect intellectual property rights in order to promote orderly trade, job creation and industrialisation for the benefit of the nation”.*

### 1.4. FUNCTIONS OF THE AGENCY

The functions of the Agency are to:

- i. Administer the Companies Act, the Corporate Insolvency Act, the Registration of Business Names Act, the Patents Act, the Trademarks Act, the Registered Designs Act, the Companies (Certificates Validation) Act, The Movable Property (Security Interest) Act, The Protection of Traditional Knowledge, Genetic Resources and Expressions of Folklore Act, the Copyright and Performance Rights Act and the Layout Designs of Integrated Circuits Act;
- 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 or Attorney General 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 Government on all matters pertaining to the Acts referred to above, and Do all such other things as are necessary or incidental to the performance of its functions under the Patents and Companies Registration Agency Act.

# STATEMENT ON CORPORATE GOVERNANCE

## Governing Body

The governing body of the Agency is the Board constituted in accordance with section 6 of the Patents and Companies Registration Agency Act No. 15 of 2010.

## Role of the Board

The Board performs the following key functions:

- Provision of leadership for the Agency by overseeing the implementation and successful operation of its policies and functions;
- Review and approve policies and strategic plans of the Agency;
- Approves the annual budget and work plans of the Agency;
- Monitor and evaluate the performance of the Agency against budget
- Appoint the Registrar and Chief Executive Officer of the Agency;
- Review and approve employee remuneration and conditions of service and;
- do all such things as are connected with, or incidental to, the functions of the Board

## Composition of the Board

The Board consists of the following part-time members appointed by the Minister, in accordance with the Patents and Companies Registration Agency Act:

- (a) a representative of the Ministry responsible for commerce;
- (b) a representative of the Attorney General;
- (c) an accountant registered with the Zambia Institute of Chartered Accountants;
- (d) a representative of the Zambia Association of Chambers of Commerce and Industry;
- (e) one person with expertise in matters of intellectual property; and
- (f) two other persons.

During the 2019 financial year, the Board consisted of the following members:

- |  |   |                     |
|--|---|---------------------|
| 1. Prof. Mpazi Sinjela                   | - | Chairperson         |
| 2. Mr. George Mpundu Kanja               | - | Vice Chairperson    |
| 3. Mrs. Kayula Siame/Mr. Mushuma Mulenga | - | Member*             |
| 4. Mrs. Brigitte Nangoyi Muyenga         | - | Member              |
| 5. Mr. Rocky Sombe                       | - | Member              |
| 6. Mr. Joe Hantebe Simachela             | - | Member              |
| 7. Mr. Samson Longwe                     | - | Member              |
| 8. Mr. Anthony Bwembya                   | - | (ex officio Member) |

\*During the 3<sup>rd</sup> quarter of 2019, Mrs. Kayula Siame, who was Permanent Secretary for the Ministry of Commerce, Trade and Industry (MCTI) was appointed as Permanent Secretary for the Ministry of Higher Education and was replaced by Mr. Mushuma Mulenga.

## Committees of the Board

The following are the Board Committees constituted to assist the Board in the performance of its functions in accordance with section 9 of the Patents and Companies Registration Agency Act:

### (1) The Audit and Risk Management Committee

The role of the committee is to provide independent assurance and assistance to the Board on control, governance and risk management. The Committee does not replace established management responsibilities and delegations. The Committee provides prompt and constructive reports on its findings, especially when issues are identified that could present a material risk to the institution.

**(2) The Finance and Projects Committee**

This Committee, among other things, monitors and reviews the Agency's financial performance; reviews the annual and supplementary budgets; and reviews the quarterly and annual financial reports and capital projects.

**(3) The Administration and Operations Committee**

The Committee, among other things, reviews the operational plans, strategic positions and provides strategic direction; monitors the operational performance and reviews quarterly management reports and Annual Reports; and reviews the organisational structure plans and the staff conditions of service.

**Board and Committee Meetings held in 2019**

The following Board and Committee meetings were held in the 2019 financial year:

**(1) Board Meetings**

The Board held four (4) ordinary meetings and seven (7) special meetings. The attendance of the meetings was as follows:

**Table 1: Board Meetings Held**

|   | Name                          | Position          | Ordinary Meetings | Meetings Attended | Special Meetings | Meetings Attended |
|---|-------------------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| 1 | Prof. Mpazi Sinjela           | Chairperson       | 4                 | 4                 | 7                | 7                 |
| 2 | Mr. George Mpundu Kanja       | Vice Chairperson  | 4                 | 3                 | 7                | 5                 |
| 3 | Mrs. Kayula Siame             | Member            | 4                 | 2                 | 7                | 6                 |
| 4 | Mrs. Brigitte Nangoyi Muyenga | Member            | 4                 | 3                 | 7                | 5                 |
| 5 | Mr. Rocky Sombe               | Member            | 4                 | 4                 | 7                | 5                 |
| 6 | Mr. Joe Hantebe Simachela     | Member            | 4                 | 4                 | 7                | 7                 |
| 7 | Mr. Samson Longwe             | Member            | 4                 | 4                 | 7                | 6                 |
| 8 | Mr. Anthony Bwembya           | ex officio Member | 4                 | 4                 | 7                | 7                 |
| * | Mr. Mushuma Mulenga           | Member            | 1                 | 1*                | 1                | 1*                |

\*In the 4<sup>th</sup> quarter of 2019, Mr. Mushuma Mulenga replaced Mrs. Kayula Siame as the new Permanent Secretary for MCTI.

**(2) Committee Meetings****(a) Audit and Risk Management Committee**

The Audit and Risk Management Committee held four (4) ordinary meetings and one (1) special meeting and the attendance was as follows:

**Table 2: Audit and Risk Management Committee Meetings Held**

|   | Name                          | Position          | Ordinary Meetings | Meetings Attended | Special Meetings | Meetings Attended |
|---|-------------------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| 1 | Mrs. Brigitte Nangoyi Muyenga | Chairperson       | 4                 | 4                 | 1                | 1                 |
| 2 | Mr. George Mpundu Kanja       | Member            | 4                 | 4                 | 1                | 1                 |
| 3 | Mr. Musonda Chikwanda         | Member            | 4                 | 4                 | 1                | 1                 |
| 4 | Mr. Anthony Bwembya           | Ex officio Member | 4                 | 4                 | 1                | 1                 |

**(b) Administration and Operations Committee**

The Administration and Operations Committee held four (4) ordinary meetings and one (1) special meeting and the attendance was as follows:

**Table 3: Administration and Operations Committee Meetings Held**

|   | Name                          | Position          | Ordinary Meetings | Meetings Attended | Special Meetings | Meetings Attended |
|---|-------------------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| 1 | Mr. George Mpundu Kanja       | Chairperson       | 4                 | 4                 | 1                | 1                 |
| 2 | Mrs. Brigitte Nangoyi Muyenga | Member            | 4                 | 4                 | 1                | 1                 |
| 3 | Samson Longwe                 | Member            | 4                 | 4                 | 1                | 1                 |
| 4 | Mr. Anthony Bwembya           | Ex officio Member | 4                 | 4                 | 1                | 1                 |

**(c) Finance and Projects Committee**

The Finance and Projects Committee held four (4) ordinary meetings and three (3) special meetings and the attendance was as follows:

**Table 4: Finance and Projects Committee Meetings Held**

|   | Name                 | Position          | Scheduled Meeting | Meetings Attended | Special Meetings | Meetings Attended |
|---|----------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| 1 | Mr. Rocky Sombe      | Chairperson       | 4                 | 4                 | 3                | 3                 |
| 2 | Mrs. Kayula Siame    | Member            | 4                 | 3                 | 3                | 1                 |
| 3 | Mr. Joe Simachela    | Member            | 4                 | 4                 | 3                | 3                 |
| 4 | Mr. Jack Sievu       | Member            |                   |                   | 3                | 3                 |
| 5 | Mr. Anthony Bwembya  | Ex officio Member | 4                 | 4                 | 3                | 2                 |
| * | Mr. Mushuma Mulenga* | Member            | 1                 | 1                 | 1                | 1*                |

\*In the 4<sup>th</sup> quarter of 2019, Mr. Mushuma Mulenga replaced Mrs. Kayula Siame as the new Permanent Secretary for MCTI.

## Major Activities Undertaken by the Board in 2019

### (1) Approval of the Revised Organisational Structure

To meet the demands of the Agency's expanded mandate and growth, the Board approved the new organisational structure for the Agency which will be implemented in phases.

### (2) Training and Sensitisation

(a) The Board members were sensitized by the Ministry of Finance on the provisions of the new Public Finance Management Act No. 1 of 2018. The Act has provided for duties and obligations of Board Members, CEOs and CFOs regarding the management of funds of their institutions.

(b) The Board was also sensitised on the enhancements made to the PACRA electronic registration system (ePACRA).

### (3) Board Evaluation

The Board conducted an annual self-evaluation in December 2019 whose objective was to evaluate its strengths and weaknesses. The evaluation report was submitted to the Minister of Commerce, Trade and Industry in the first quarter of 2020.

# BOARD MEMBERS



**Prof. Mpazi Sinjela**  
Chairperson



**Mr. George Mpundu Kanja**  
Vice Chairperson



**Mr. Joe Hantebe Simachela**  
Member



**Mr. Mushuma Mulenga**  
Permanent Secretary - MCTI



**Mr. Rocky Sombe**  
Member



**Mr. Samson Longwe**  
Member



**Mrs. Brigitte Nangoyi Muyenga**  
Member



**Mr. Anthony Bwembya**  
Registrar & CEO

### 3. PACRA MANAGEMENT

The current Senior Management team comprises:

- a) Mr. Anthony Bwembya - Registrar & Chief Executive Officer
- b) Mr. Wilson Banda - Assistant Registrar (Commercial Unit)
- c) Mr. Benson Mpalo - Assistant Registrar (Intellectual Property Unit)
- d) Mr. Ben Mulenga - Chief Financial Officer
- e) Mr. Kaseke Chinyemba - Information & Communication Technology Manager
- f) Mr. Maikisa Ilukena - Human Resources & Administration Manager
- g) Mr. Kelvin Seta - Chief Internal Auditor
- h) Mrs. Belinda M. Siankumo – Legal Counsel



**Mr. Anthony Bwembya**  
Registrar & CEO



**Mr. Wilson Banda**  
Assistant Registrar  
Commercial Unit



**Mr. Benson Mpalo**  
Assistant Registrar  
Intellectual Property  
Unit



**Mr. Ben Mulenga**  
Chief Financial Officer



**Mr. Kaseke Chinyemba**  
Information &  
Communication Technology  
Manager



**Mr. Maikisa Ilukena**  
Human Resources and  
Administration Manager



**Mr. Kelvin Seta**  
Chief Internal Auditor



**Mrs. Belinda Musopelo  
Siankumo**  
Legal Counsel

#### 4. ORGANISATIONAL STRUCTURE

Below is the Structure for the organisation depicting the reporting channels from the Board to the Heads of Units.

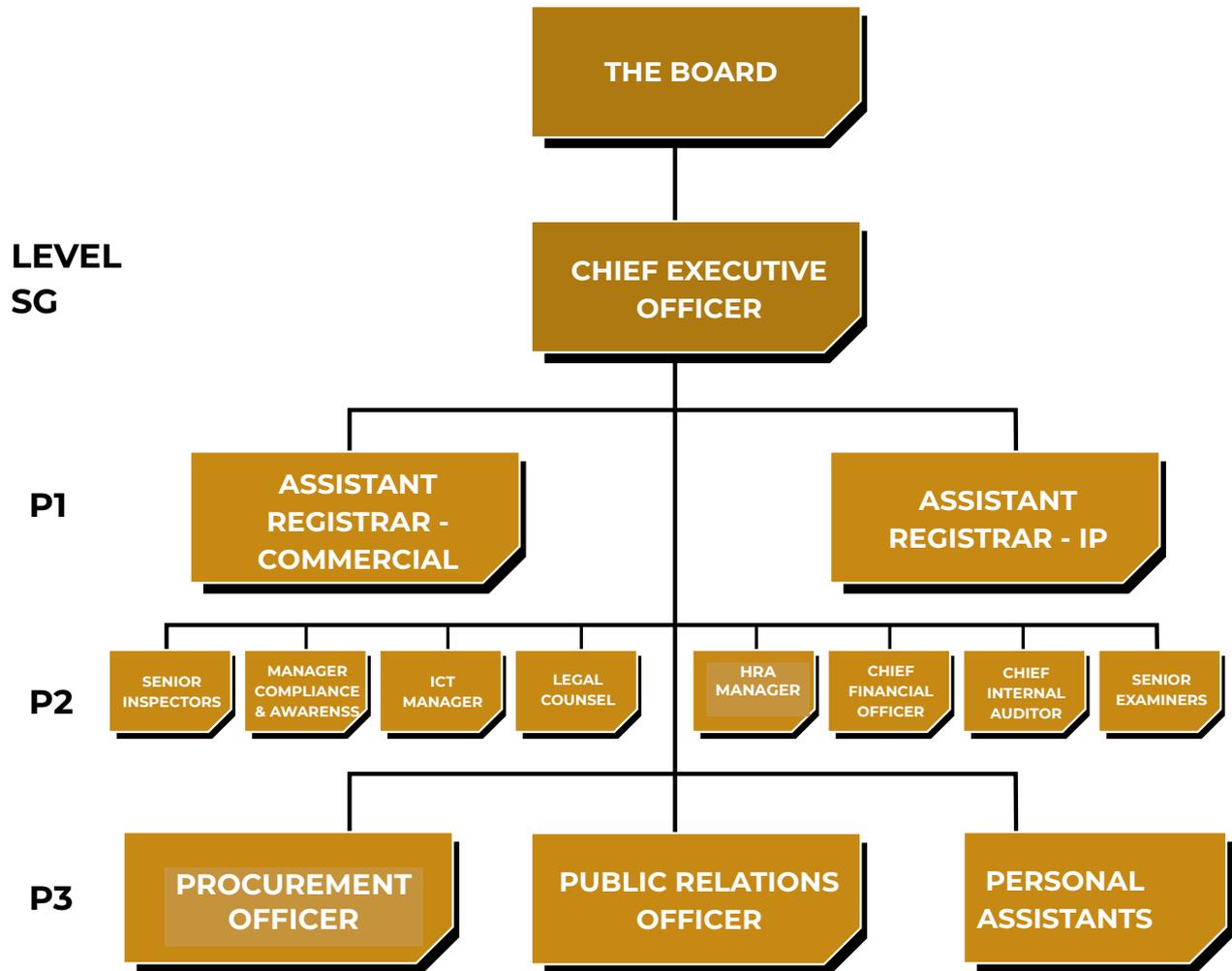


Figure 3: PACRA Organogram

## 4. LAW AND POLICY REFORM

### 4.1. OPERATIONALISATION OF THE COMPANIES AND CORPORATE INSOLVENCY ACTS

The Companies Act was fully implemented during the year under review. This followed the issuance of Companies Statutory Instrument No. 14 of 2019 by the Minister of Commerce Trade and Industry. The implementation included introduction of new fees and forms in addition to the establishment of the Beneficial Ownership Register.

The Agency commenced the accreditation of Insolvency Practitioners on 1st August 2019 pursuant to the Corporate Insolvency Act. As a result of the accreditation process and the provisions of the Corporate Insolvency Act, a Register of Insolvency Practitioners was established. The public is now able to appoint Receivers, Liquidators and Business Rescue Administrators of their choice from the accredited Insolvency Practitioners.

With the full implementation of the Companies and Corporate Insolvency Acts, the repealed Companies Act Cap 388 of the Laws of Zambia has ceased to be applicable.

### 4.2. REVIEW OF THE COPYRIGHT AND PERFORMANCE RIGHTS ACT

The first draft of the Copyright and Performance Rights Bill was developed. The draft Bill seeks to enhance protection of copyright works in the digital environment, and enhance powers of Collective Management Organisations.

## 5. STAKEHOLDER ENGAGEMENTS

### 5.1. INSOLVENCY PRACTITIONERS TRAINING

A one day workshop for Insolvency Practitioners was held on 18<sup>th</sup> July, 2019 in collaboration with the International Finance Corporation (IFC) of the World Bank Group. The objective of the workshop was to provide hands on training to Insolvency Practitioners in line with the Corporate Insolvency Act No. 9 of 2017 and expose them to international best practice in ethics, business restructuring and liquidation.

### 5.2. INSOLVENCY LAW TRAINING OF ZICA MEMBERS

Presentations were made to members of the Zambia Institute of Chartered Accountants in Lusaka and Kitwe regarding the Corporate Insolvency Act No. 9 of 2017 and the implementing Regulations. The aim of the workshop was to inform accountants on various legal requirements for corporate insolvency practice. The Agency will use such partnerships to provide awareness to persons who intend to practice in the field of insolvency.

### 5.3. TRAINING ON COLLATERAL REGISTRY

The Agency has continued to provide training to various stakeholders on the use of the Collateral Registry. Eleven financial institutions and law firms were trained during the year under review. These included Madison Finance Company Limited, Senior Officers at the Ministries of Finance and National Development Planning and, Andrew Musukwa & Company. Further, the Agency trained more than ten Banks on the new Companies and Insolvency forms.

### 5.4. SENSITISATION WORKSHOPS ON THE NEW COMPANIES ACT

Stakeholder awareness activities were conducted on the Companies Act No. 10 of 2017 and the Corporate Insolvency Act No. 9 of 2017 in the year under review. Specific focus was placed on the contents of the new Companies and Corporate Insolvency Forms. A number of financial institutions and the business community were sensitised on the new features of the forms in the newly enacted laws. The emphasis was made on the new forms because they were a requirement for other business transactions such as opening of bank accounts.



**Participants at one of the sensitisation workshops held in 2019**

### 5.5. WORKSHOP ON BENEFICIAL OWNERSHIP DISCLOSURE

In an effort to promote beneficial ownership disclosure in the Zambian extractive industries, the Agency in collaboration with the Zambia Extractive Industries Transparency Initiative (ZEITI) organised a three-day workshop from 8<sup>th</sup> to 10<sup>th</sup> October 2019 in Lusaka. Participants included Ministry of Mines (Cadastre Department), small, medium and large mining companies, law firms and the Zambian Women in Mining Association. The workshop was aimed at providing support to government agencies in achieving beneficial ownership disclosure and building capacity to collect and disseminate beneficial ownership information.

The expected outcomes included improved guidance on beneficial ownership reporting for companies in sharing beneficial ownership information between the Agency and the Ministry of Mines (Cadastre Department). Arising from the training at the workshop, a plan for piloting beneficial ownership disclosure in the mining sector is expected to be developed and rolled out in 2020.

### 5.6. JUDGES COLLOQUIUM

A two-day round table discussion for Judges was held on 16<sup>th</sup> and 17<sup>th</sup> July 2019 in Lusaka sponsored by the International Finance Corporation (IFC) of the World Bank in collaboration with the Agency. The colloquium covered the salient provisions of the Corporate Insolvency Act No. 9 of 2017 and the Movable Property (Security Interest) Act No. 3 of 2016. Other topics covered were business rescue mechanisms, qualifications and accreditation of Insolvency Practitioners, Cross Border Insolvency and the need for registration of security interests in movable assets.

### 5.7. ACCREDITATION OF INSOLVENCY PRACTITIONERS

Accreditation of Insolvency Practitioners commenced on 1<sup>st</sup> August 2019 following the signing of Statutory Instruments No. 40 and 41 of 2019 on 26<sup>th</sup> July 2019. In the third quarter, the Agency recorded a total of 95 accreditations of insolvency practitioners with only two (2) rejections on account of not meeting the required seven (7) year practice.

## 6. AWARENESS, INFORMATION DISSEMINATION AND COMPLIANCE

### 6.1. FAIRS AND EXHIBITIONS

The Agency participated in the Southern, Copperbelt and North-Western Provincial Expos where business registrations and filing of annual returns were conducted. In addition, the Agency participated in other shows such as the Lusaka Agricultural and Commercial Show, Zambia International Trade Fair, CAMINEX Show, Africa Public Service Day Road Show and the Zambia Association of Manufacturers Week.

The Expos provided a platform for the Agency to sensitise the public and raise awareness about its services, and receive feedback on its service delivery.



PACRA Members of staff at the Africa Public Service Day Awards Ceremony



Mrs Vaida Njobvu, Public Relations Officer (right) and Mrs Luse Kalonga, Manager- Compliance & Awareness (middle) receiving the Best Public Service Delivery Award for 2019 at ZIM Awards Ceremony on behalf of PACRA



**PACRA Officers assisting clients to process an Online Lodgment at the ZITF, 2019**

## 6.2. COPYRIGHT INSPECTION AND SENSITISATION PROGRAMMES

Various copyright sensitisation programmes and inspections were conducted during the year under review to establish the levels of compliance by users of registered musical works. The inspection targeted shops, bars, restaurants, lodges and radio stations in Lusaka. It was observed that some business owners were not compliant due to lack of knowledge about copyright licensing.

The business owners were educated on the legal requirement to obtain a Zambia Music Copyright Protection Society (ZAMCOPS) license which permits them to play protected musical works during their operations. These interventions resulted in an increase in compliance levels as well as payment of royalties by users of protected works.

## 6.3. LICENCE DISPUTE RESOLUTION

The Registrar rendered a decision in the matter of an application for arbitration between Zambia Reprographics Rights Society (ZARRSO) and the ZCAS University where the Registrar ruled that ZCAS University was obliged to obtain a license for reproduction from ZARRSO notwithstanding the exception and limitation contained in section 21(1) (f) of the Copyright and Performance Rights Act.

## 6.4. BULK SMS AND FIELD INSPECTIONS

In a continued effort to enhance compliance levels, over two hundred and eighty four thousand (284,000) messages were sent using Short Messaging Services (SMSs) in 2019 reminding registered businesses operating below the required statutory minimum capital of K15, 000 to normalise and comply with the legal requirements. Similarly, messages were sent to businesses which were not compliant with the requirement to file annual returns.

In addition to the efforts above, the Agency conducted field inspections at selected Shopping Malls in Lusaka where a number of businesses were visited to determine their levels of compliance.

## 6.5. TRADEMARK RENEWAL REMINDERS

In an effort to ensure compliance with the provisions of the law, the Agency sent out eight hundred and thirty four (834) renewal reminders of trademarks which were due for renewal during the year under review. Arising from this effort, 1,250 trademarks were renewed in 2019.

## 6.6. COLLABORATION WITH LOCAL AUTHORITIES

In line with Government's decentralisation policy of taking services closer to the people, the Agency has over the years partnered with local authorities. In 2019, the Agency embarked on an exercise to remind the local authorities on the need to ensure that businesses issued with trading licenses were registered with the Agency. The exercise was also aimed at ensuring that businesses were compliant with filing of annual returns and in the case of companies, operating at the required minimum capital. Positive feedback was received from a number of local authorities across the country.

## 6.7. ONLINE SERVICES

In an effort to promote the use of the online registration system, an incentive in form of a discount was introduced under Statutory Instrument No. 15 of 2019. A discount of K75 is given for online incorporation of companies and K50 for online filing of annual returns. As a result of this incentive, the number of online lodgments increased from 13,622 in 2018 to 15,979 in 2019. The Agency will continue to encourage the business community to use the online system. The online system provides a platform for businesses to do pre and post registration services from the comfort of their homes or offices.

## 7. STUDY VISITS TO THE AGENCY

### 7.1. STUDY VISIT FROM ZIMBABWE INVESTMENT AUTHORITY

A delegation from the Zimbabwe Investment Authority visited PACRA in order to familiarise themselves with the operations of the Agency. In addition, the delegation was also interested in understanding the working relationship the Agency has with other government agencies such as the Zambia Development Agency (ZDA) and the Zambia Revenue Authority (ZRA).

### 7.2. VISIT FROM THE RESERVE BANK OF ZIMBABWE

The Agency hosted delegates from the Reserve Bank of Zimbabwe from the 6<sup>th</sup> to 8<sup>th</sup> August 2019. The purpose of the visit was to draw lessons from Zambia's successful implementation of the Movable Property Registration System (MPRS). In particular, the delegation was interested in understanding the challenges and solutions in implementing the system. The members of the delegation, also visited their counterparts at the Bank of Zambia (BoZ).

## 8. MEETINGS AND CONFERENCES

### 8.1. AFRICA ROUND TABLE ON INSOLVENCY REFORM

The 2019 Africa Round Table (ART) on insolvency reform took place in Swakopmund, Namibia from 21st to 22nd December 2019 under the theme "*celebrating a decade of insolvency reform in Africa and anticipating what lies ahead*". The ART on insolvency reform was hosted by INSOL International and the World Bank Group.

The focus of ARTs is to introduce delegates to the various insolvency and restructuring tools that are available in an insolvency scenario with the emphasis on encouraging and supporting insolvency reform across the African continent. The Agency benefited from the 2019 ART as it was able to benchmark with international best practice in implementing the recently enacted Corporate Insolvency Act No. 9 of 2017.

### 8.2. ADMINISTRATIVE COUNCIL OF THE AFRICA REGIONAL INTELLECTUAL PROPERTY ORGANISATION (ARIPO)

The Agency participated in the Forty Third Session of the Administrative Council and the Seventeenth Session of the Council of Ministers of the African Regional Intellectual Property Organization (ARIPO) which was held in Margibi County, Liberia, from 18 to 22 November, 2019.

During the deliberation of the Administrative Council the Registrar and Chief Executive Officer Mr. Anthony Bwembya reiterated the importance of enhanced cooperation among member states in intellectual property matters to achieve technological advancement and industrial development.

The Administrative Council considered various reports including the report of the Director General of ARIPO on the activities of the organization in 2019 as well as the reports of the Committees of Administrative Council. The Council also deliberated on the recent developments on Intellectual Property in Africa including the Draft Protocol on IP within the framework of the African Continental Free Trade Area (AfCTA) Agreement and observed that there were gaps and inconsistencies in the draft Protocol. The Council resolved that it was important for member states to urgently engage in the ongoing negotiations on the protocol.



**Registrar and CEO of PACRA at the Administrative Council of ARIPO, November 2019**

### **8.3. ASSEMBLIES OF THE WORLD INTELLECTUAL PROPERTY ORGANISATION**

The Fifty-Ninth Series of Meetings of the WIPO Assemblies took place in Geneva from September 30 to October 9, 2019. The Agency participated in the meetings and was represented by Mr. Anthony Bwembya and Mr. Benson Mpalo, CEO and Assistant Registrar – IP respectively.

Member States deliberated a wide range of issues related to the WIPO-administered international IP framework, which supports the creation and cross-border flow of innovative and creative works. Some of the resolutions included:

1. Approval of procedures for the appointment of a new Director General in 2020 and the composition of the Coordination Committee, which is the body that nominates the Director General for appointment by the WIPO General Assembly
2. Adoption of amendments to the Patent Cooperation Treaty Regulations to give applicants additional safeguards in case of IT outages at Offices. Additionally member states adopted amendments to the PCT that create more opportunities to correct errors and omissions in an international application, to improve transmission of fees between Offices and to increase transparency of international preliminary examination and;
3. Adoption of amendments to Regulations under the Madrid Protocol aimed at clarifying requirements for recording changes in ownership and division of an international

registration. Further amendments were made to guide users and IP Offices on replacement and simplification of the renewal of international registrations.

#### 8.4. MOU WITH THE EUROPEAN UNION INTELLECTUAL PROPERTY OFFICE

During the year under review, the Agency signed a bilateral cooperation Agreement with the European Union Intellectual Property Office (EUIPO). The Agreement provides an opportunity for the mutual cooperation between the EUIPO and the Agency in the field of Intellectual Property. Within the framework of the agreement the Agency shall receive technical support regarding the integration of information tools. The parties will cooperate more closely on matters pertaining to the publication of trade mark and industrial design data in online search services made available to the general public. This will contribute to the efforts in making the Agency more efficient and responsive to the needs of the business community.

#### 8.5. SPONSORSHIP OF JUNIOR ENGINEERS, TECHNICIANS AND SCIENTISTS (JETS) AWARDS

In an effort to promote innovation and creativity among the young learners, the Agency participated in the National JETS Fair which was held in Lusaka at the National Science Centre from 21st to 27th August, 2019. During the fair, the Agency presented awards to selected young innovators and inventors who had projects which had the potential of being protected through the patent system and also being commercialized. The purpose of the awards was to recognise celebrate and incentivize innovation among learners in both primary and secondary schools. The Agency remains committed to promoting innovation and creativity among young learners and entrepreneurs.

#### 8.6. TECHNOLOGY AND INNOVATION SUPPORT CENTRES NETWORK FOR ZAMBIA

The Agency in collaboration with the World Intellectual Property Organization (WIPO) held a Technology and Innovation Support Centre (TISC) network launch workshop in July. The purpose of the workshop was to help develop and reinforce skills among participants in searching and using patents Information and other scientific publications offered by the TISC Centre stationed at the Agency.

The workshop drew participants from various academic and Research institutions and provided an opportunity to build a network of TISCs across the country. The agency will continue to engage WIPO for further cooperation in this regard and ensure more TICS are established in Zambia.



Officers at the WIPO Workshop on the development of TISC Network, July 2019

### 8.7. INCREASE IN LOCAL PATENT APPLICATIONS

The year 2019 saw a sharp increase in the number of patent filings by local applicants. Of the total patents filed, 70% were local and 30% foreign. The increase in local patent applications as well as the filings by JETS participants is evidence of efforts and actions that have been adopted by the Agency in response to the directive by His Excellency the President. During his address to parliament the President directed PACRA to ensure that all inventions by the Junior Engineers Technicians and Scientists (JETS) were duly patented. The Agency embarked on sensitization initiatives including the hosting of the Inventors Fair, sponsorship of the JETS Fair and awarding of prizes to participants in the Fair as well as the creation of TISCs. The increased filings will also result in corresponding visibility of the innovations/inventions to potential partners and or investors for commercialisation purposes.

### 8.8. WORLD INTELLECTUAL PROPERTY DAY CELEBRATIONS

The Agency joined the rest of the world in commemorating the 2019 World Intellectual Property day under the theme “*Reach for Gold: IP and Sports*”. The 2019 celebrations focused on the positive role that IP plays in encouraging sports.

The celebrations began with a match past from Northmead to the National Sports Development Centre (NASDEC) where a football tournament was held and local innovators, inventors as well as owners of IPRs showcased their inventions, innovations and products. During the celebrations, awards were given to deserving inventors and winners of the football tournament.



Inventors at the World IP Day celebrations showcasing their products, April 2019

## 9. HUMAN RESOURCES AND ADMINISTRATION

### 9.1. RECRUITMENTS

**Table 5: Positions filled in 2019**

| Position                    | Department            | Gender |
|-----------------------------|-----------------------|--------|
| Assistant Registrar         | Commercial            | M      |
| Chief Financial Officer     | Finance               | M      |
| ICT Manager                 | ICT                   | M      |
| Assistant Copyright Officer | Intellectual Property | F      |
| Accounts Assistant          | Finance               | F      |
| Network Administrator       | ICT                   | M      |
| Applications Developer      | ICT                   | M      |
| Systems Analyst             | ICT                   | F      |

### 9.2. BEREAVEMENT

The Agency lost one employee, Mr. Obby Mwewa, an Office Assistant at the Chinsali Office in Muchinga Province who died on 11<sup>th</sup> October 2019.

### 9.3. HEALTH AND WELLNESS

The Agency held a health and wellness day on 5<sup>th</sup> July 2019, where eye screening was held to staff at the Head Office. Forty eight (48) members of staff were screened. Additionally, the Agency continued to encourage members of staff to maintain a healthy lifestyle by facilitating fitness and futsal subscription.

### 9.4. TRAINING AND STAFF DEVELOPMENT

In an effort to promote staff development, the Agency continued to provide support to members of staff for both short-term and long-term training. During the year under review the institution held a Customer Care workshop for frontline staff.



**PACRA members of staff after the Customer Care training workshop, November 2019**

## 10. STATISTICS

### 10.1. COMPANIES AND BUSINESS NAMES STATISTICS

#### 10.1.1. Business Registration 2016 to 2019

Business Registrations 2016 to 2019

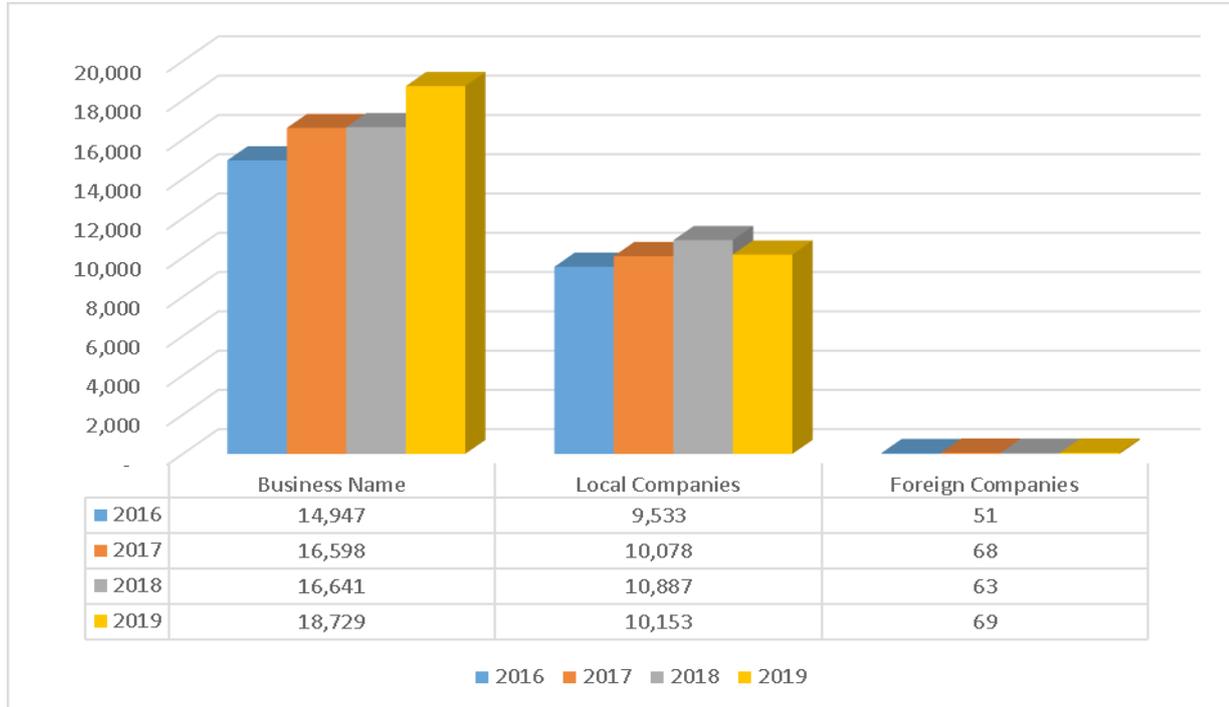


Figure 4. Business Registrations

The figure above shows that business name and foreign company registrations increased by 12.5% and 9.5% respectively in 2019 compared to 2018. Additionally, local company registrations recorded a decrease of 6.7%.

#### 10.1.2. Business Registrations By Gender 2019

Table 1: Business Registrations by Gender

| Business Type | 100% Female Owned | 100% Male Owned | Mixed (Men, Women and Corporates) | Total  |
|---------------|-------------------|-----------------|-----------------------------------|--------|
| Business Name | 3,610             | 10,200          | 4,919                             | 18,729 |
| Local Company | 293               | 3,367           | 6,493                             | 10,153 |

The table above shows that the Agency registered more male owned businesses compared to female owned businesses.

**Table 2: Registration of Business Gender 2019**



**Figure 6: Business Registration by Gender**

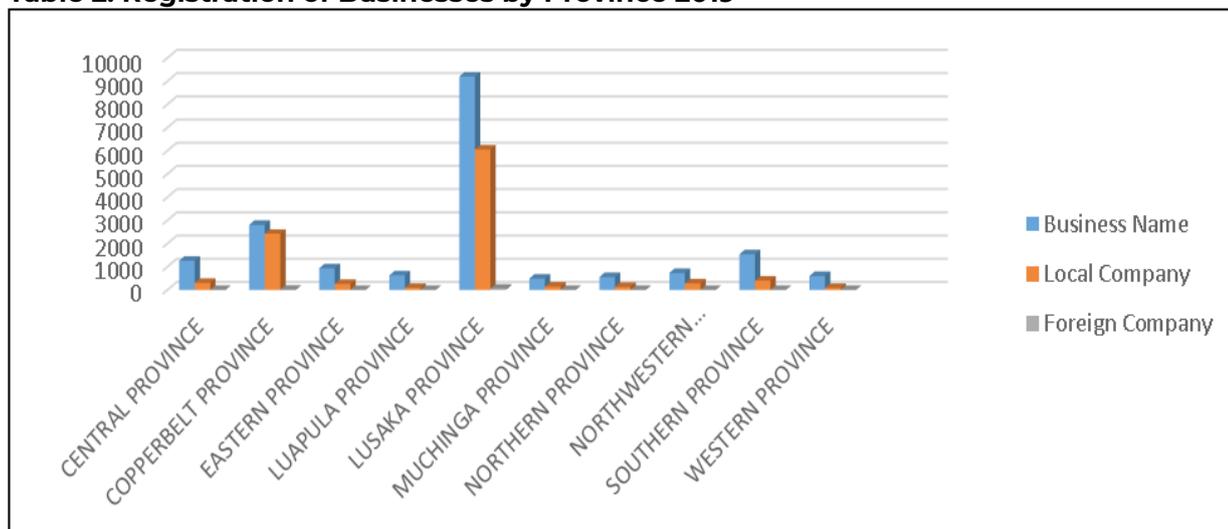
**10.1.3. Business Registrations by Province 2019**

**Table 3: Registration of Businesses by Province 2019**

| PROVINCE               | Business Name | Local Company | Foreign Company |
|------------------------|---------------|---------------|-----------------|
| Central Province       | 1,259         | 303           | 1               |
| Copperbelt Province    | 2,806         | 2,418         | 9               |
| Eastern Province       | 931           | 257           | 1               |
| Luapula Province       | 628           | 86            | 0               |
| Lusaka Province        | 9,194         | 6,050         | 52              |
| Muchinga Province      | 489           | 143           | 0               |
| Northern Province      | 553           | 129           | 0               |
| North Western Province | 732           | 279           | 0               |
| Southern Province      | 1,537         | 400           | 1               |
| Western Province       | 600           | 85            | 0               |

The table above shows that Lusaka Province had the highest number of business registrations followed by Copperbelt Province.

**Table 2: Registration of Businesses by Province 2019**



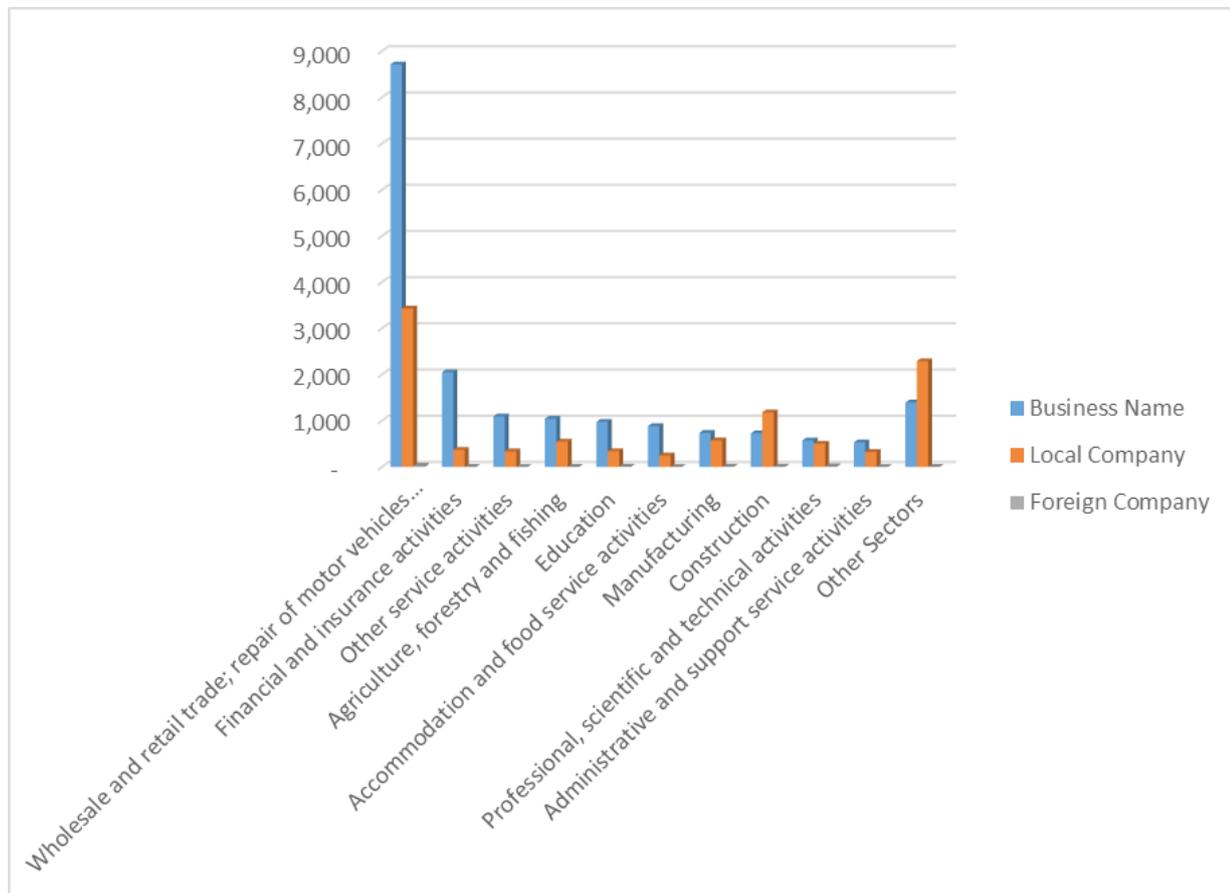
**Figure 6: Registration of Businesses by Province 2019**

### 10.1.4. Business Registrations by Sector 2019

**Table 8: Registration of Business by Sector 2019**

| Sector   | Business Name | Local Company | Foreign Company | Total  |
|--|---------------|---------------|-----------------|--------|
| Wholesale And Retail Trade; Repair Of Motor Vehicles And Motorcycles | 8,715         | 3,429         | 24              | 12,168 |
| Financial And Insurance Activities                                   | 2,049         | 370           | 2               | 2,421  |
| Other Service Activities   | 1,095         | 339           | 1               | 1,435  |
| Agriculture, Forestry And Fishing                                    | 1,043         | 548           | 3               | 1,594  |
| Education  | 976           | 341           | 8               | 1,325  |
| Accommodation and Food Service Activities                            | 883           | 250           | 1               | 1,134  |
| Manufacturing  | 739           | 575           | 8               | 1,322  |
| Construction   | 728           | 1,183         | 5               | 1,916  |
| Professional, Science and Technical Activities                       | 574           | 504           | 14              | 1,092  |
| Administrative and Support Service Activities                        | 532           | 325           | 1               | 858    |
| Other Sectors  | 1,395         | 2,289         | 2               | 3,686  |

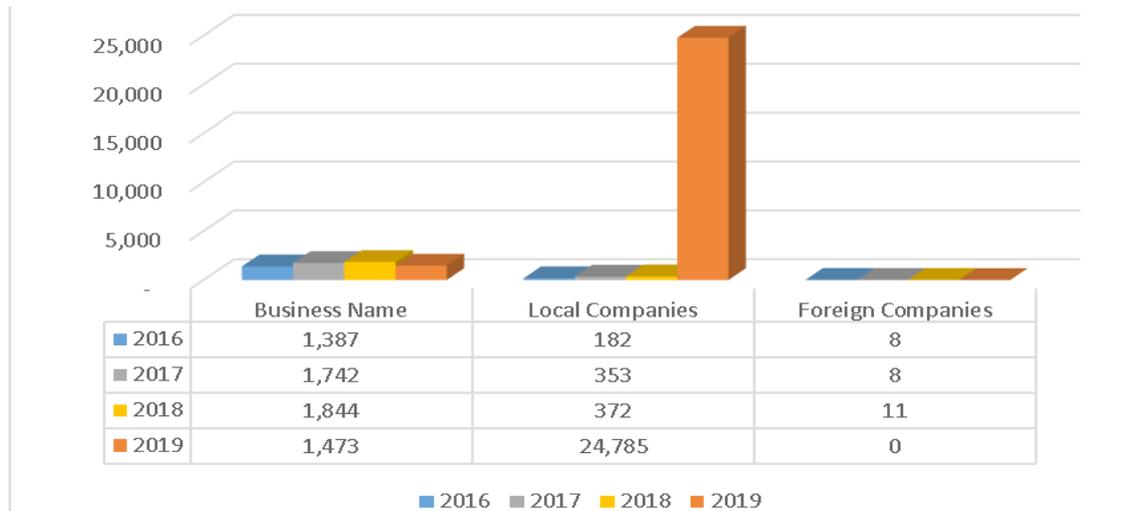
The table above shows that wholesale and retail trade sector had the highest number of business registrations followed by the financial and insurance sector.



**Figure 7: Registration of Business by Sector 2019**

### 10.1.5. Business Deregistration 2016 to 2019

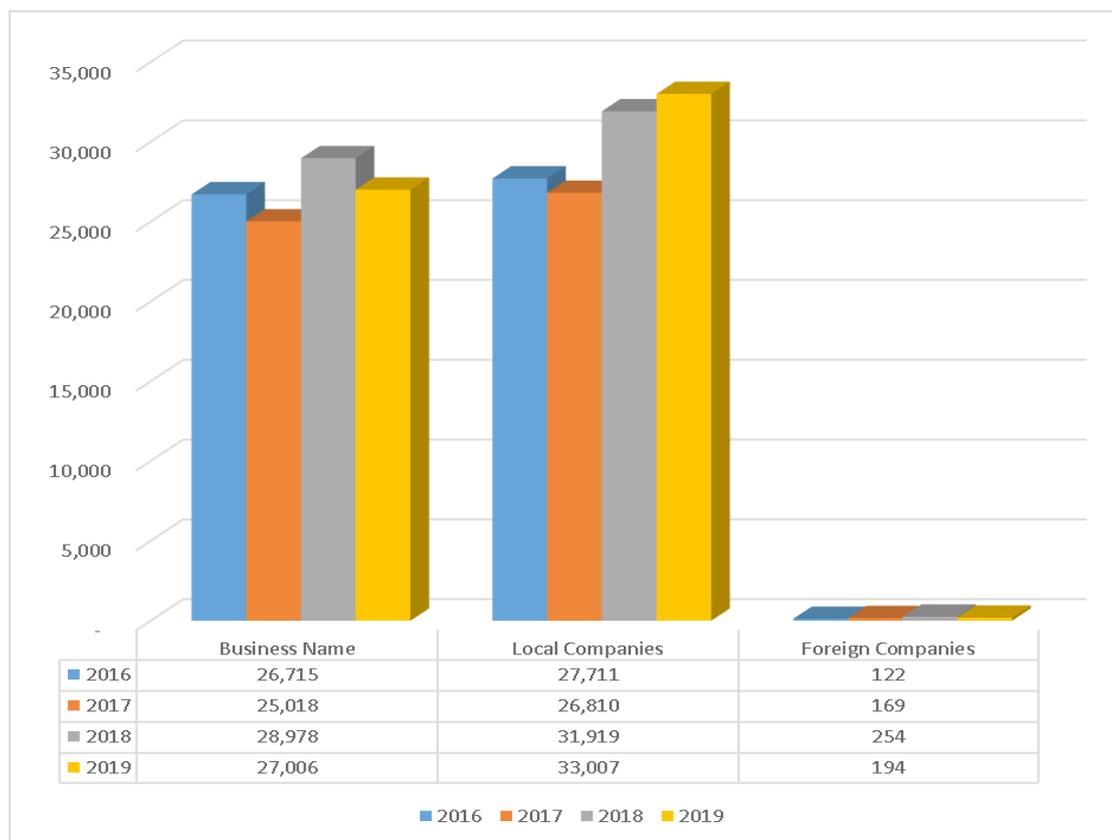
**Table 4: Deregistration of Business 2016 to 2019**



**Figure 8: Deregistration of Business 2016 to 2019**

The figure above shows that more companies were deregistered in 2019 due to non-compliance with the provisions of the Companies Act.

### 10.1.6. Annual Returns 2016 to 2019

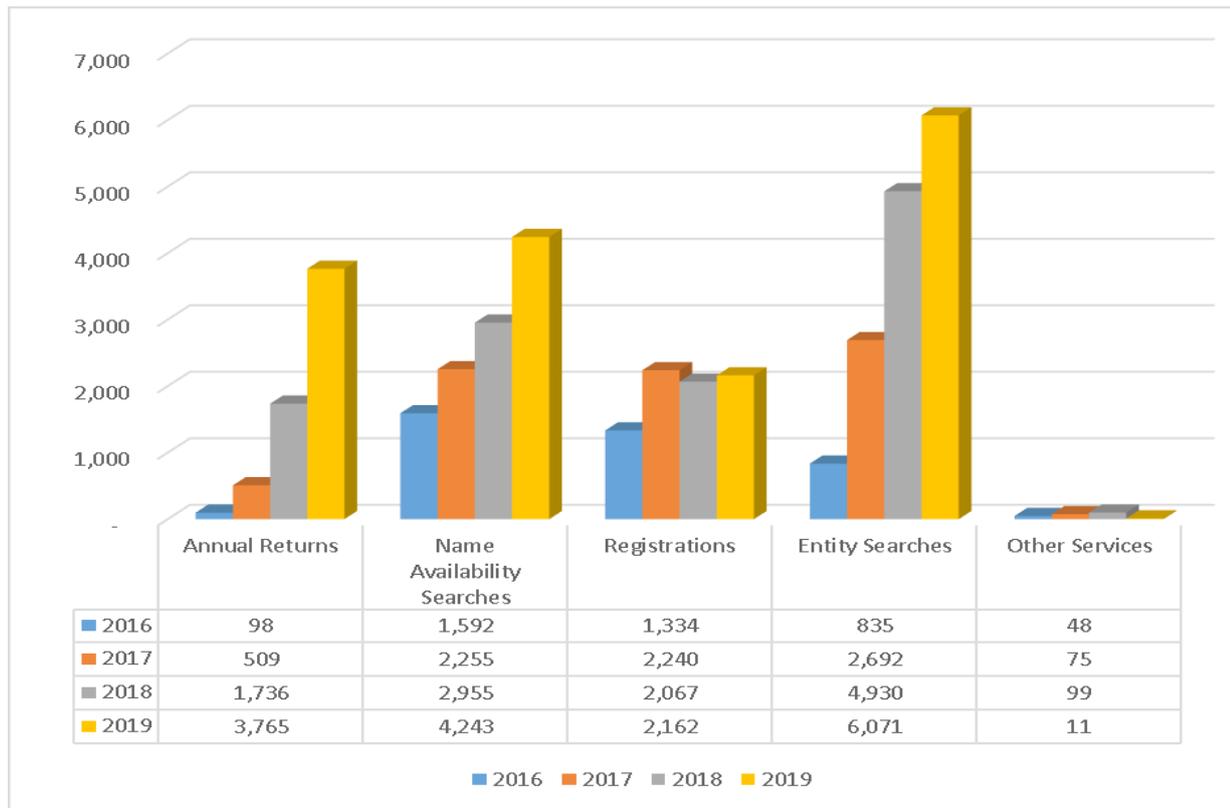


**Figure 9: Annual Returns 2016 to 2019**

The figure above shows that there was an increase of 3.4% for annual returns filed by local companies and a decrease of 6.8% for annual returns filed by registered business names. There was a decrease of 23.6% in filing of annual returns for foreign companies

### 10.1.7. Online Services 2016 to 2019

Usage of online services increased in 2018 compared to the year 2017.



**Figure 10: Online Service 2016 to 2019**

The figure above shows that there was an increase in online filing of annual returns, name availability searches, registrations and entity searches by 116.8%, 43.6%, 4.8% and 23.1% respectively compared with 2018.

### 10.1.8. Foreign Online Service Users

**Table 9: Foreign Online Service Users**

| Nationality     | Distributions (2016) | Distributions (2017) | Distributions (2018) | Distributions (2019) |
|-----------------|----------------------|----------------------|----------------------|----------------------|
| India           | 50                   | 41                   | 39                   | 83                   |
| South Africa    | 45                   | 30                   | 41                   | 71                   |
| Zimbabwe        | 44                   | 47                   | 28                   | 62                   |
| United Kingdom  | 49                   | 27                   | 26                   | 38                   |
| China           | 11                   | 26                   | 12                   | 21                   |
| United States   | 8                    | 12                   | 9                    | 20                   |
| Canada          | 1                    | 2                    | 6                    | 11                   |
| Pakistan        | 0                    | 1                    | 2                    | 9                    |
| Kenya           | 8                    | 13                   | 11                   | 8                    |
| Uganda          | 4                    | 3                    | 3                    | 7                    |
| Other Countries | 85                   | 121                  | 52                   | 85                   |

The table above shows that India recorded the highest number of online transactions in the period under review.

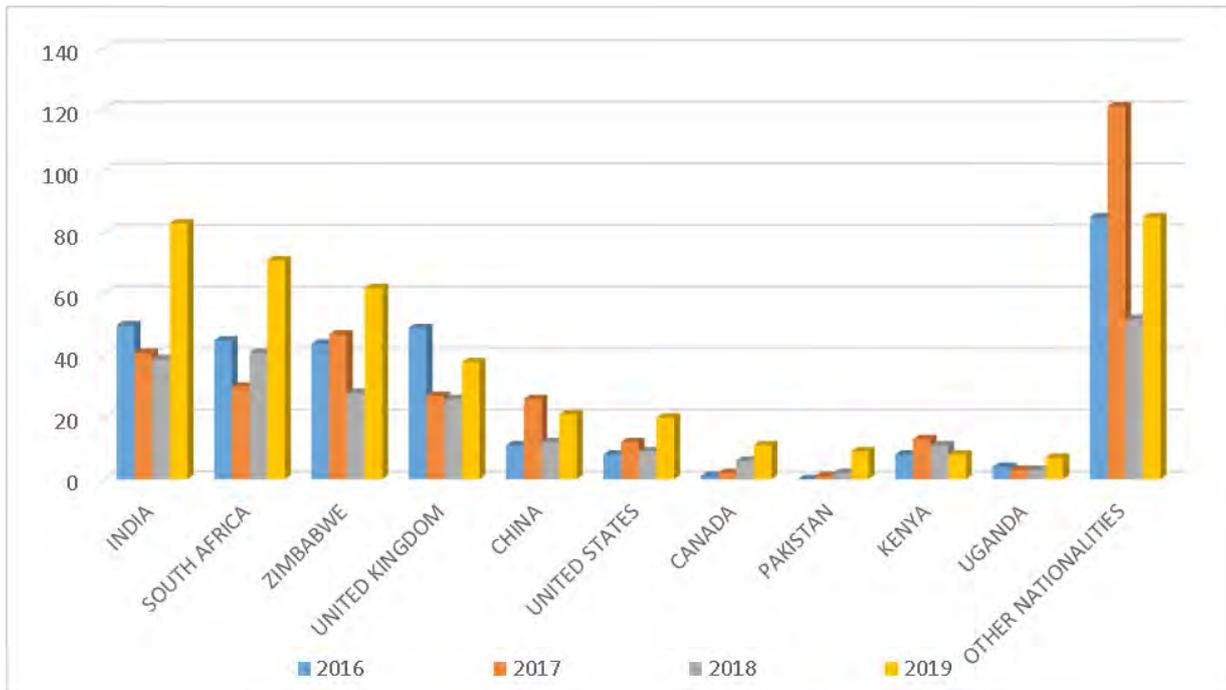


Figure 11: Foreign Online Service users by Towns 2016 to 2019

### 10.1.9. Local Online Users by Towns 2016 to 2019

Table 10: Local Online Users by Town 2016 to 2019

| District    | 2016 | 2017 | 2018 | 2019 |
|-------------|------|------|------|------|
| Lusaka      | 2457 | 2703 | 1602 | 2475 |
| Mongu       | 213  | 262  | 367  | 352  |
| Kitwe       | 282  | 246  | 168  | 325  |
| Ndola       | 212  | 211  | 153  | 253  |
| Chingola    | 85   | 73   | 66   | 94   |
| Solwezi     | 40   | 95   | 57   | 90   |
| Kabwe       | 46   | 68   | 55   | 87   |
| Livingstone | 44   | 47   | 21   | 79   |
| Luanshya    | 35   | 37   | 35   | 66   |
| Other Towns | 742  | 1080 | 1034 | 85   |

The table above shows that Lusaka recorded the highest number of online users.

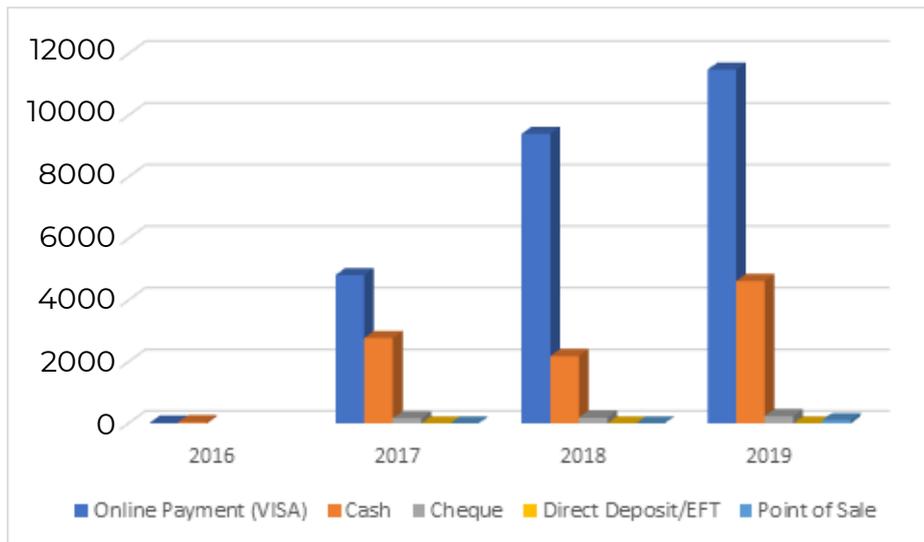


Figure 12: Local Online Users by town 2016 to 2019

### 10.1.10. Payment Methods Used for Online Services 2016 to 2019

Table 11: Payment Methods Used for Online Services 2016 to 2019

| PAYMENT METHODS       | 2016 | 2017  | 2018  | 2019   |
|-----------------------|------|-------|-------|--------|
| Online Payment (VISA) | 23   | 4,822 | 9,401 | 11,487 |
| Cash                  | 46   | 2,776 | 2,187 | 4,626  |
| Cheque                |      | 168   | 191   | 238    |
| Direct Deposit/EFT    |      | 5     | 3     | 1      |
| Point of Sale         |      | 0     | 6     | 107    |

The table above shows an increase by 22.2% in the number of online payments made using visa in 2019 compared to 2018 while payments made by cash increased by 111.5%.

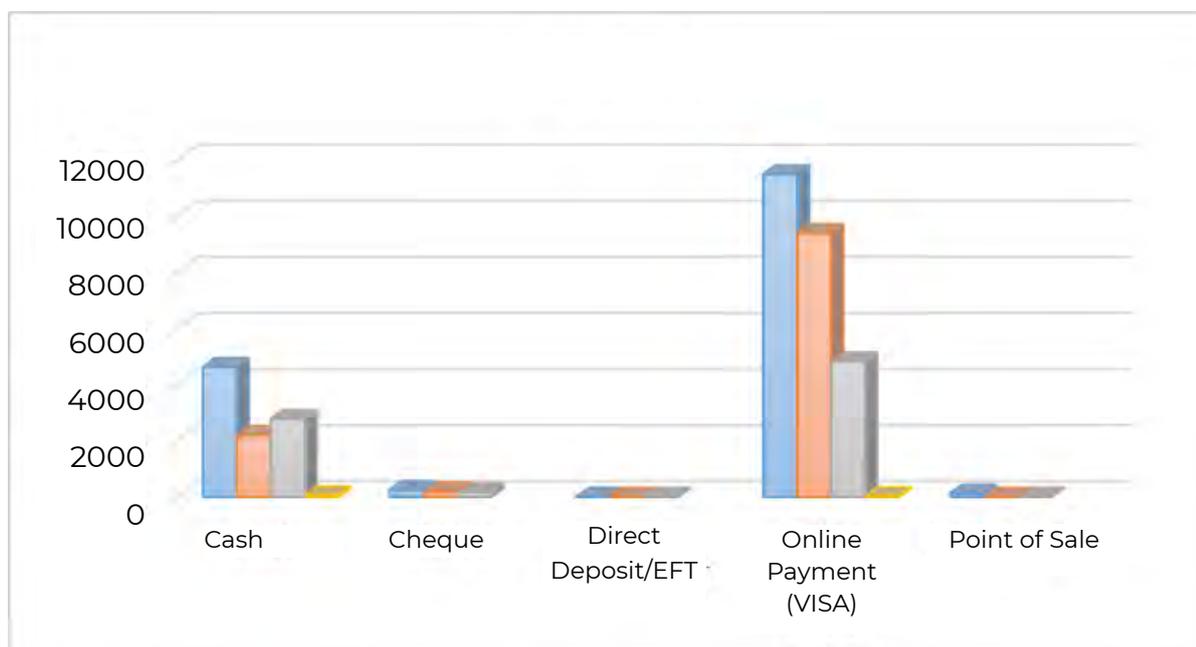
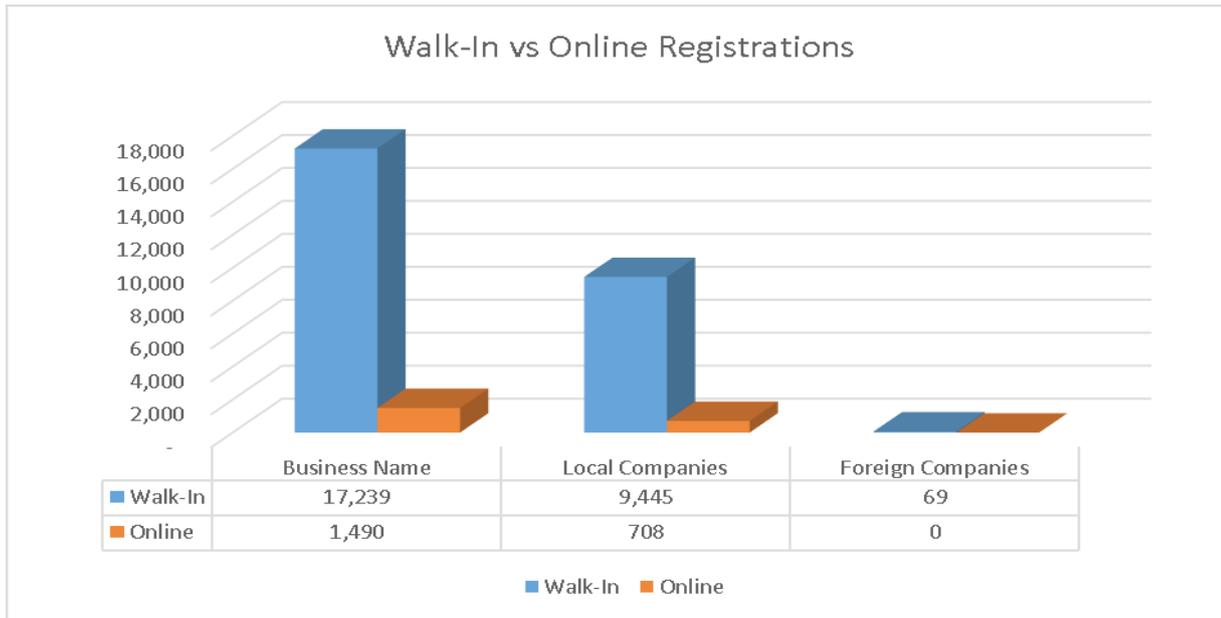


Figure 13: Payment Methods used for Online Services 2016 to 2019

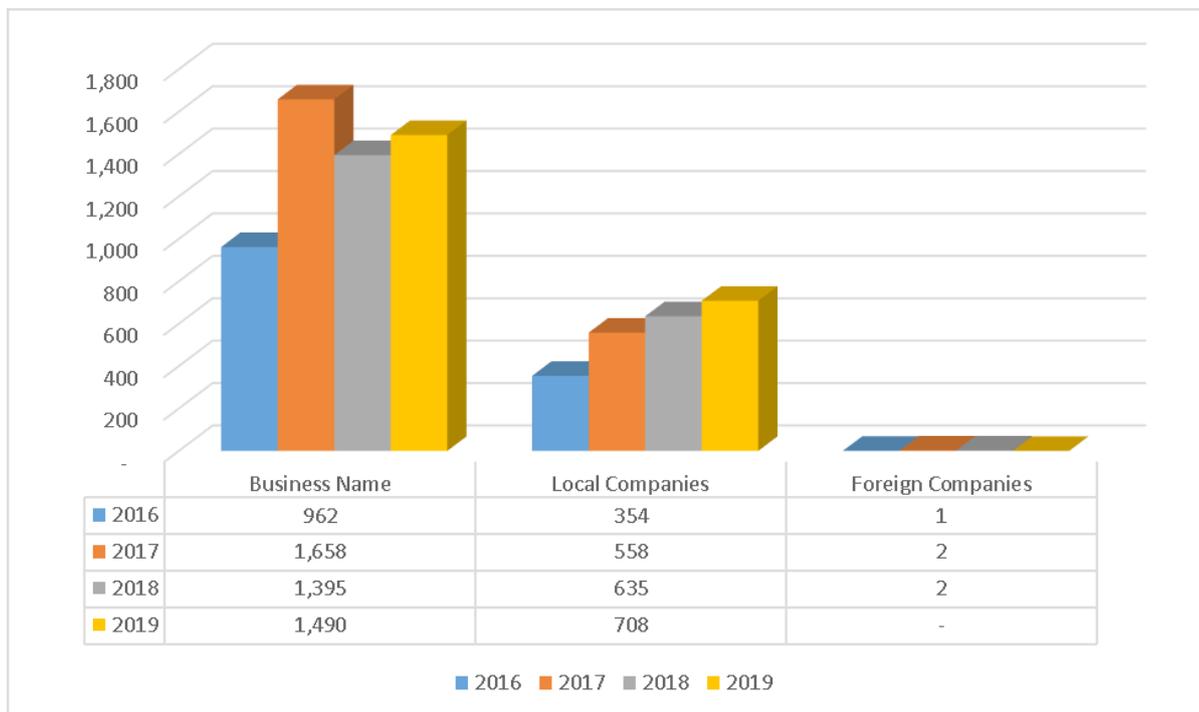
### 10.1.11. Business Registrations Walk-In vs Online 2019



**Figure 14: Registration of Business 2019**

The figure above shows that people still preferred physical lodgements to online lodgements.

### 10.1.12. Online Registrations by Business Type 2016 to 2019

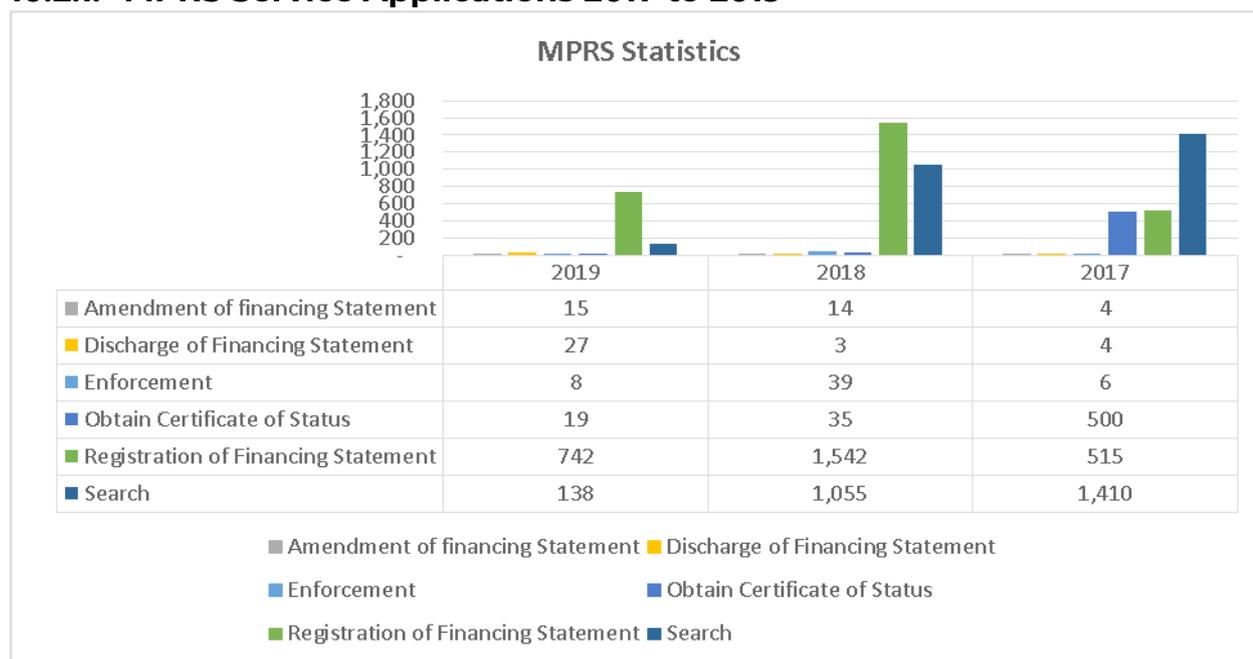


**Figure 15: Online Registration by Business Type 2016 to 2019**

The figure above shows that there was an increase in online business registration by 8.3% compared to the previous year.

## 10.2 MPRS Statistics

### 10.2.1. MPRS Service Applications 2017 to 2019



**Figure 16: MPRS Service Applications 2017 to 2019**

The figure above shows that there was a decrease in registration of financing statements in 2019 compared to 2018. A Financing statement is a document filed in the collateral registry for disbursed loans relating to movable assets.

### 10.2.2. Collateral Used for Financing Statements 2017 to 2019

**Table 12: Collateral Used for Financing Statements 2017 to 2019**

| <b>COLLATERAL TYPES</b>              | <b>2017</b> | <b>2018</b> | <b>2019</b> |
|--------------------------------------|-------------|-------------|-------------|
| Household goods                      | 2, 326      | 573         | 124         |
| Motor Vehicles                       | 579         | 1, 715      | 129         |
| Other Plant, Machinery and Equipment | 311         | 419         | 90          |
| All moveable assets                  | 337         | 280         | 92          |
| Agriculture Equipment                | 79          | 141         | 69          |
| Other Collateral                     | 3, 632      | 3, 128      | 1, 340      |

The table above shows that motor vehicles and household goods were the commonly used movable assets as collateral for loans.

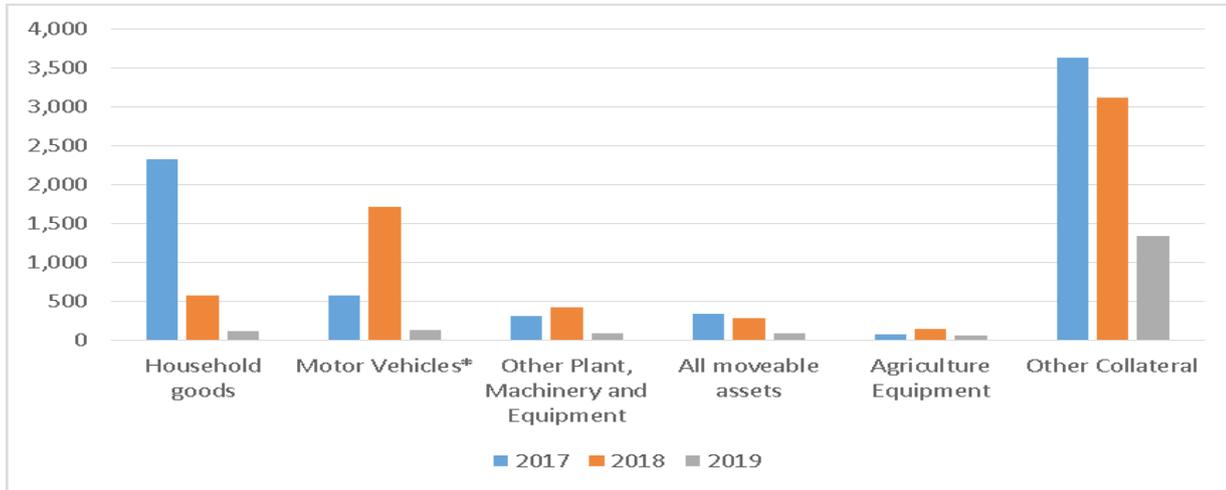


Figure 17: Collateral used for Financing Statements 2017 to 2019

### 10.2.3. Debtors by Province 2017 to 2019

Table 13: Debtors by Province 2017 to 2019

| Debtors By Province   | 2017  | 2018  | 2019 |
|-----------------------|-------|-------|------|
| LUSAKA PROVINCE       | 1,147 | 1,141 | 526  |
| COPPERBELT PROVINCE   | 206   | 229   | 124  |
| SOUTHERN PROVINCE     | 13    | 57    | 39   |
| CENTRAL PROVINCE      | 25    | 55    | 24   |
| EASTERN PROVINCE      | 8     | 42    | 4    |
| OUTSIDE ZAMBIA        | 6     | 11    | 17   |
| NORTHWESTERN PROVINCE | 2     | 9     | 14   |
| LUAPULA PROVINCE      | 3     | 0     | 2    |

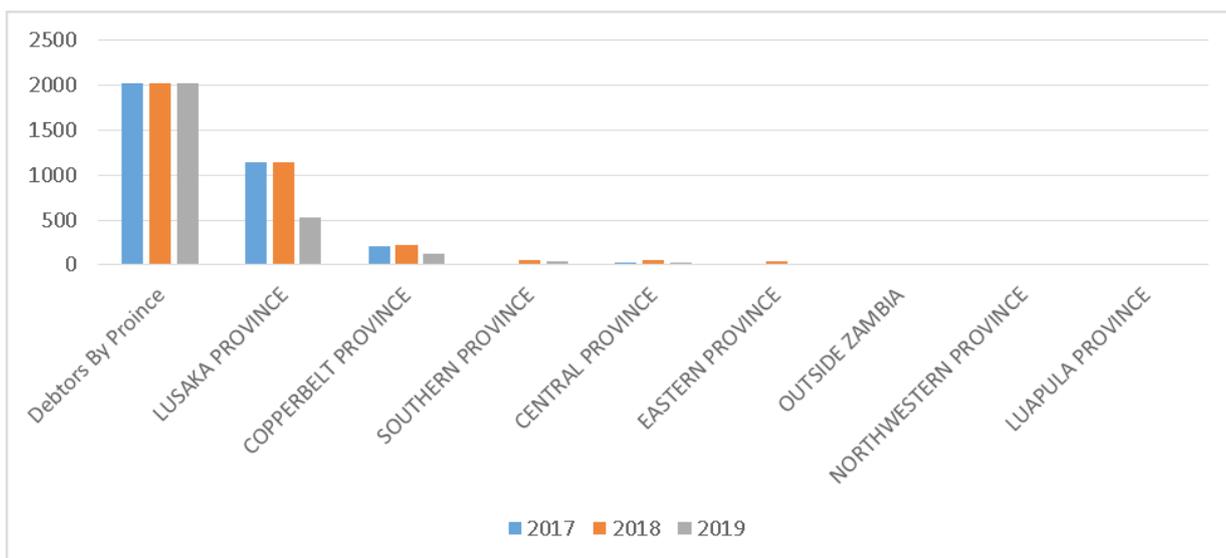


Figure 18: Debtors by Province 2017 to 2019

The figure above shows that Lusaka Province recorded the highest number of debtors who accessed loans from financial service providers using movable assets.

### 10.2.4. Total value of financing facilitated by Debtor Type 2019

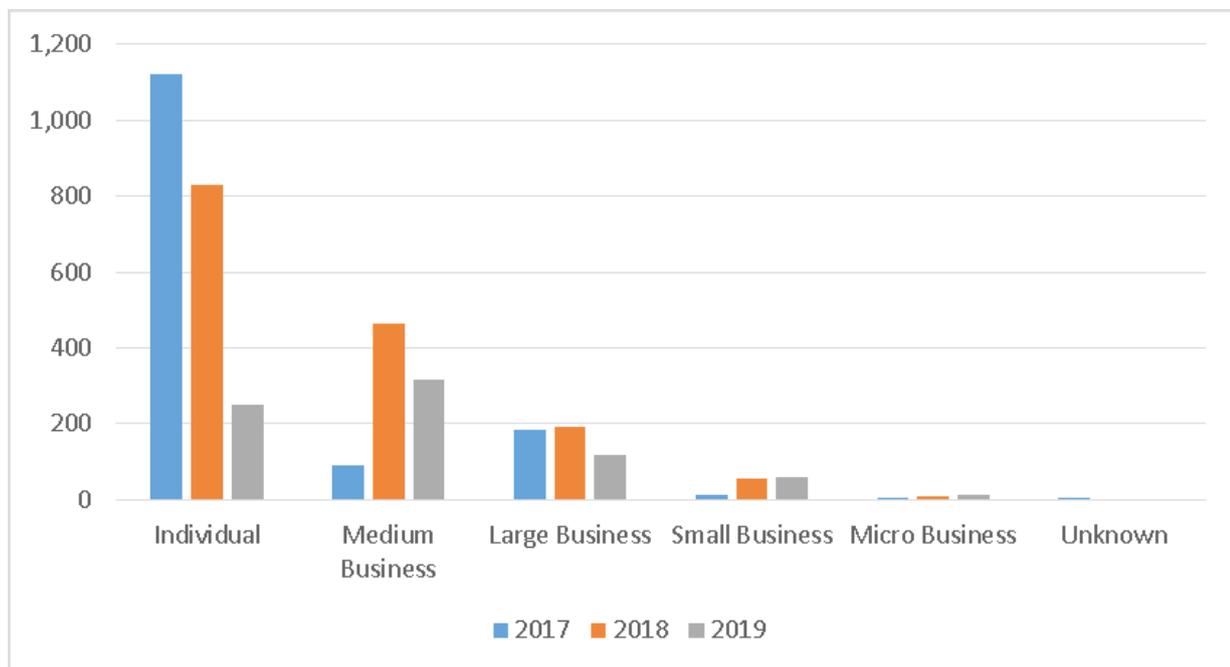
**Table 14: Total value of financing facilitated Type 2019**

| Debtor Type     | Currency              | Total Amount      |
|-----------------|-----------------------|-------------------|
| Individual      | Afghanistan Afghani   | 8,513.28          |
| Individual      | South Africa Rand     | 350,000.00        |
| Individual      | United States Dollar  | 99,003,123.50     |
| Individual      | Zambian Kwacha        | 48,136,850.66     |
| Large Business  | Euro Member Countries | 435,000.00        |
| Large Business  | South Africa Rand     | 4,060,000,000.00  |
| Large Business  | United States Dollar  | 15,984,925,286.41 |
| Large Business  | Zambian Kwacha        | 469,272,647.86    |
| Medium Business | United Kingdom Pound  | 977,944,942.89    |
| Medium Business | Zambian Kwacha        | 9,716,215,069.50  |
| Micro Business  | United States Dollar  | 7,500,000.00      |
| Micro Business  | Zambian Kwacha        | 18,614,613.00     |
| Small Business  | United States Dollar  | 82,973,774.36     |
| Small Business  | Zambian Kwacha        | 101,532,873.50    |

### 10.2.5. Total Facilities provided by Debtor Type 2017 to 2019

**Table 15: Total Facilities provided by Debtor Type 2017 to 2019**

| Debtor Type     | 2017  | 2018 | 2019 |
|-----------------|-------|------|------|
| Individual      | 1,120 | 829  | 251  |
| Medium Business | 89    | 465  | 314  |
| Large Business  | 183   | 190  | 118  |
| Small Business  | 13    | 54   | 59   |
| Micro Business  | 4     | 7    | 11   |
| Unknown         | 1     | 0    | 0    |

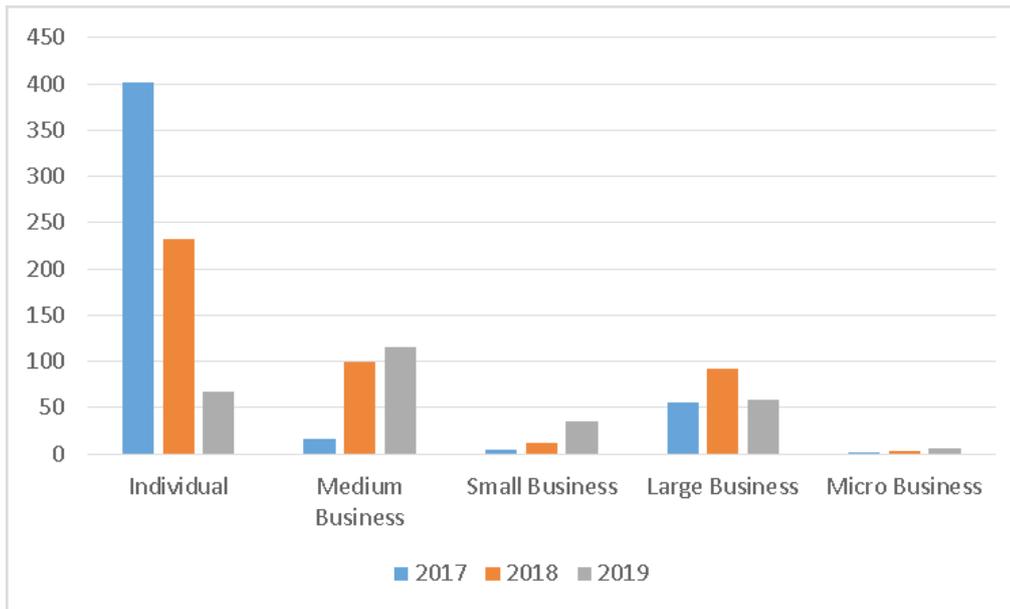


**Figure 19: Total Facilities provided by Debtor Type 2017 to 2019**

### 10.2.6. Total Facilities provided to Female Debtors Type 2017 to 2019

**Table 16: Total Facilities provided by Female Debtors Type 2017 to 2019**

| Female Debtor Type | 2017 | 2018 | 2019 |
|--------------------|------|------|------|
| Individual         | 401  | 233  | 67   |
| Medium Business    | 16   | 99   | 116  |
| Small Business     | 5    | 12   | 35   |
| Large Business     | 56   | 92   | 59   |
| Micro Business     | 2    | 3    | 6    |



**Figure 20: Total Facilities provided by Female Debtors Type 2017 to 2019**

### 10.2.7. Total Facilities provided to Lender Type 2017 to 2019

**Table 17: Total Facilities provided by Lender Type 2017 to 2019**

| Secured Creditor Type            | 2017 | 2018  | 2019 |
|----------------------------------|------|-------|------|
| Bank                             | 381  | 1,253 | 506  |
| Microfinance Institution         | 953  | 228   | 59   |
| Non-Bank Financial Institution   | 32   | 21    | 0    |
| Development Finance Institutions | 0    | 20    | 28   |
| Other                            | 10   | 18    | 91   |
| Individual                       | 5    | 5     | 0    |
| Unknown                          | 29   | 0     | 56   |
| Money Lenders                    | 0    | 0     | 8    |

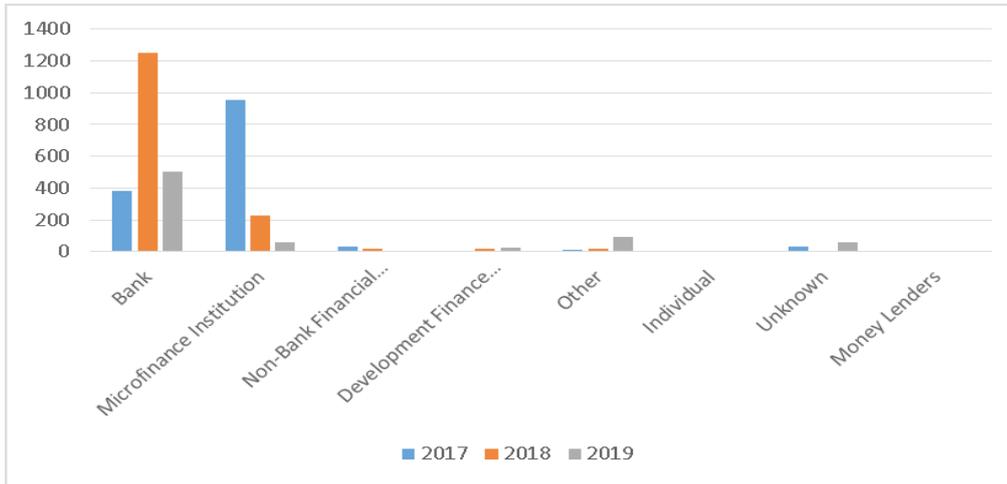


Figure 21: Total Facilities provided by Lender Type 2017 to 2019

### 10.3. Call Centre Statistics

The PACRA Call Centre received a total of 25,669 Calls between January and December 2019.

#### 10.3.1. Queries by Source

Table 18: Client Queries by Source

| Query Source | Number | Percentage |
|--------------|--------|------------|
| Call         | 25669  | 91%        |
| Email        | 1561   | 6          |
| Facebook     | 907    | 3%         |

#### 10.3.2. Queries by Service Type

Table 19: Client Queries by Service Type

| PACRA Service Type                        | Number | Percentage |
|---|--------|------------|
| Companies Act                             | 9,716  | 60.02%     |
| Business Names Act                        | 2,352  | 38.23%     |
| Trademarks Act                            | 131    | 0.81%      |
| Copyright Act                             | 58     | 0.36%      |
| Patents Act                               | 50     | 0.31%      |
| Cooperatives Act                          | 30     | 0.19%      |
| Moveable property (Security Interest) Act | 9      | 0.06%      |
| Industrial Designs Act                    | 4      | 0.02%      |

#### 10.3.3. Queries by Type

Table 20: Most Common Queries

| Query Type    | Number | Percentage |
|---------------|--------|------------|
| Information   | 14,085 | 87.01%     |
| Invoice       | 413    | 9.54%      |
| Forms         | 341    | 0.81%      |
| Social Media  | 212    | 0.36%      |
| Fees          | 190    | 0.31%      |
| Web Site      | 50     | 0.19%      |
| Wrong Numbers | 17     | 0.06%      |
| Contact Us    | 9      | 0.02%      |
| Campaigns     | 1      | 0.02%      |

## 10.4. Insolvency

### 10.4.1. Insolvency Applications

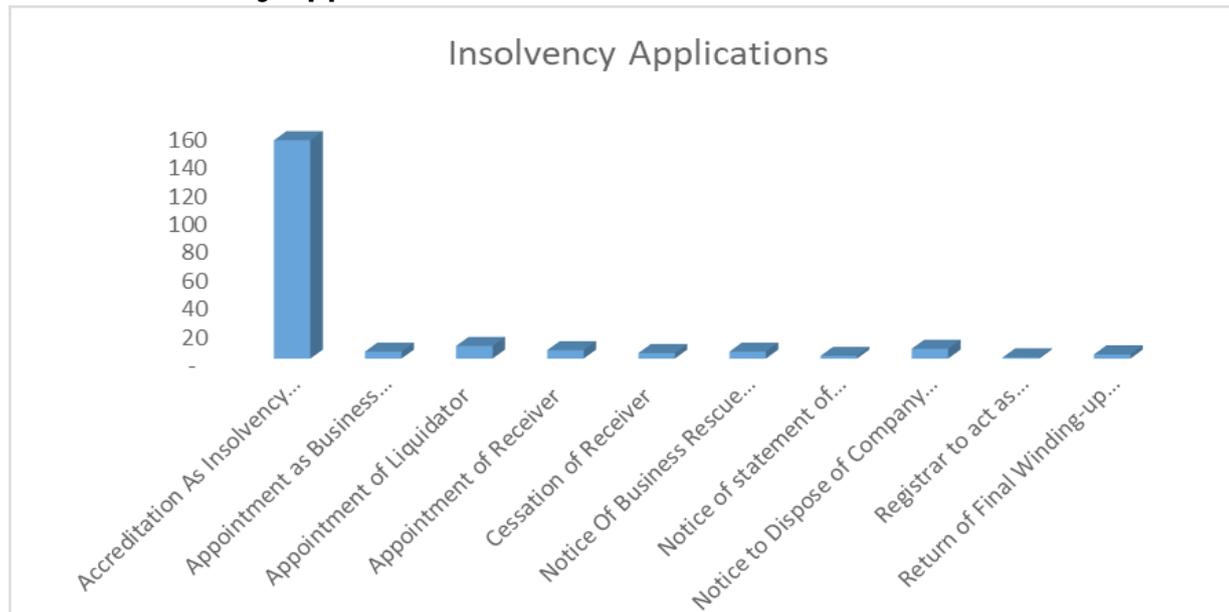


Figure 22: Insolvency Applications

Table 21: Insolvency Applications

| Application Types   | Applications |
|---|--------------|
| Accreditation As Insolvency Practitioner                  | 154          |
| Appointment as Business Rescue Administrator              | 5            |
| Appointment of Liquidator                                 | 9            |
| Appointment of Receiver                                   | 6            |
| Cessation of Receiver                                     | 4            |
| Notice of Business Rescue Proceedings to Affected Persons | 5            |
| Notice of Statement of Company Affairs                    | 2            |
| Notice to Dispose of Company Assets                       | 7            |
| Registrar to act as Representative of Defunct Company     | 1            |
| Return of Final Winding-up Meeting with Quorum - LCO      | 3            |

### 10.4.2. Number of Insolvency Practitioners Accredited

147 Insolvency Practitioners were accredited.

### 10.4.3. Accreditations by Professions

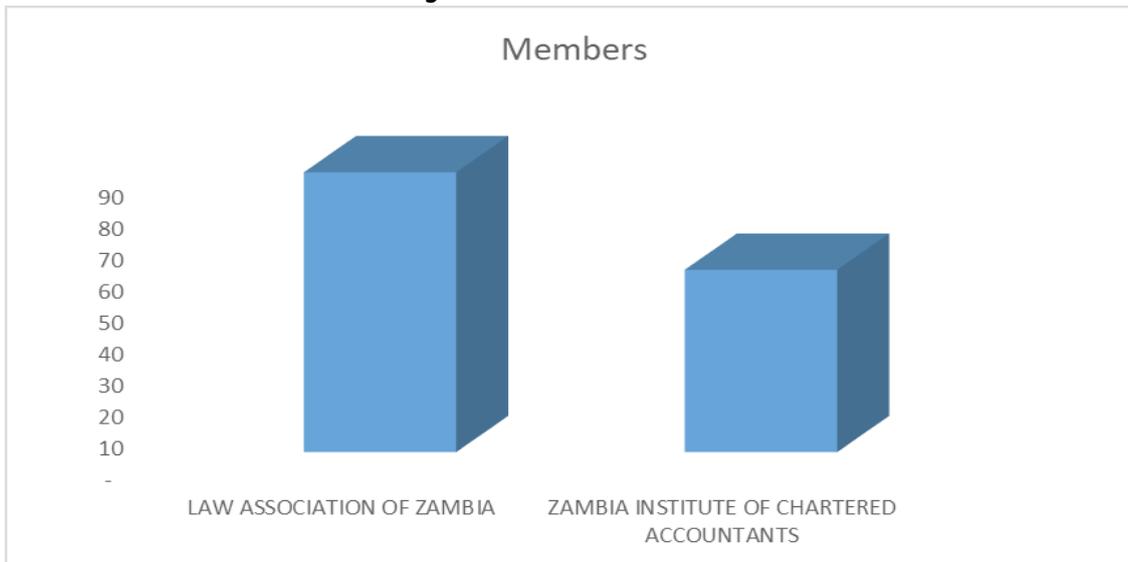


Figure 23: Accreditations by Professions

Table 22: Accreditations by Professions

| Body Membership Name                      | Members |
|---|---------|
| LAW ASSOCIATION OF ZAMBIA                 | 89      |
| ZAMBIA INSTITUTE OF CHARTERED ACCOUNTANTS | 58      |

### 10.4.4. Accreditations by Town

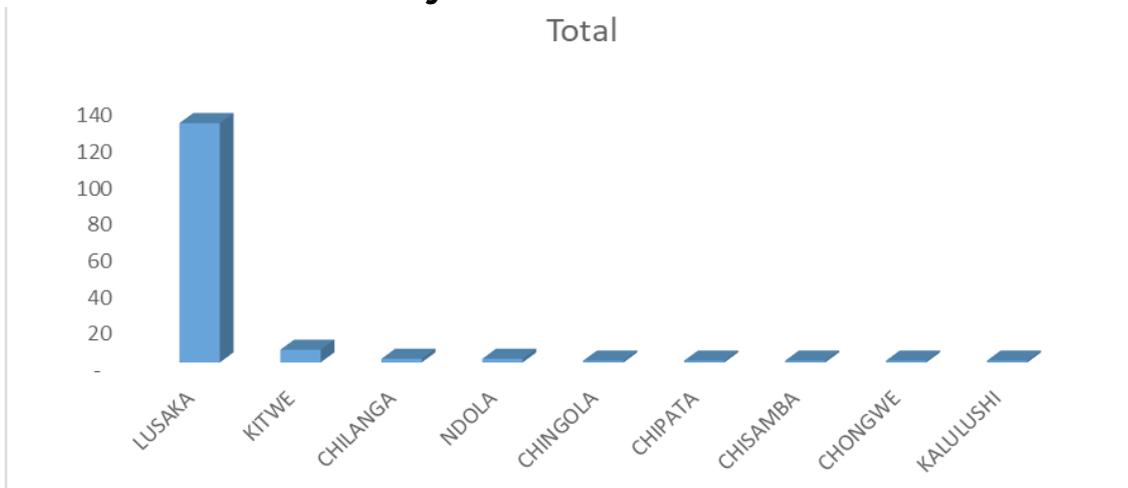


Figure 24: Accreditations by Town

Table 23: Accreditation by Town

| Towns     | Total |
|-----------|-------|
| LUSAKA    | 131   |
| KITWE     | 7     |
| CHILANGA  | 2     |
| NDOLA     | 2     |
| CHINGOLA  | 1     |
| CHIPATA   | 1     |
| CHISAMBA  | 1     |
| CHONGWE   | 1     |
| KALULUSHI | 1     |

### 10.4.5. Accreditations by Province

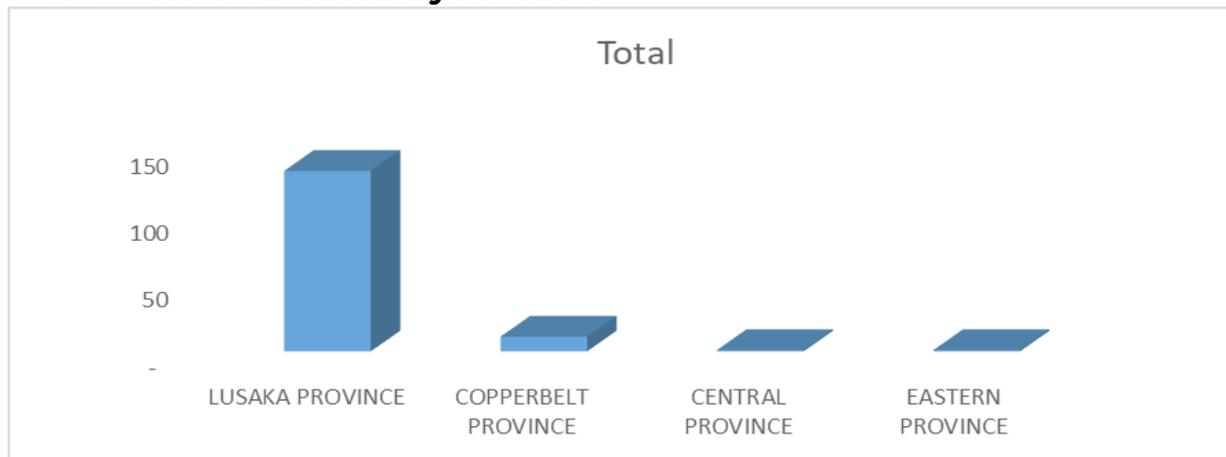


Figure 25: Accreditations by Province

Table 24: Accreditation by Province

| Provinces           | Total |
|---------------------|-------|
| LUSAKA PROVINCE     | 134   |
| COPPERBELT PROVINCE | 11    |
| CENTRAL PROVINCE    | 1     |
| EASTERN PROVINCE    | 1     |

## 10.5. Intellectual Property Statistics

### 10.5.1. ARIPO 2015 to 2019

Table 25: ARIPO PATENTS 2015 to 2019

| Year | Lodged | Granted | Renewed |
|------|--------|---------|---------|
| 2015 | 542    | 307     | 5,018   |
| 2016 | 431    | 311     |         |
| 2017 | 555    | 354     |         |
| 2018 | 524    | 175     | 3,109   |
| 2019 | 551    | 470     | 167     |

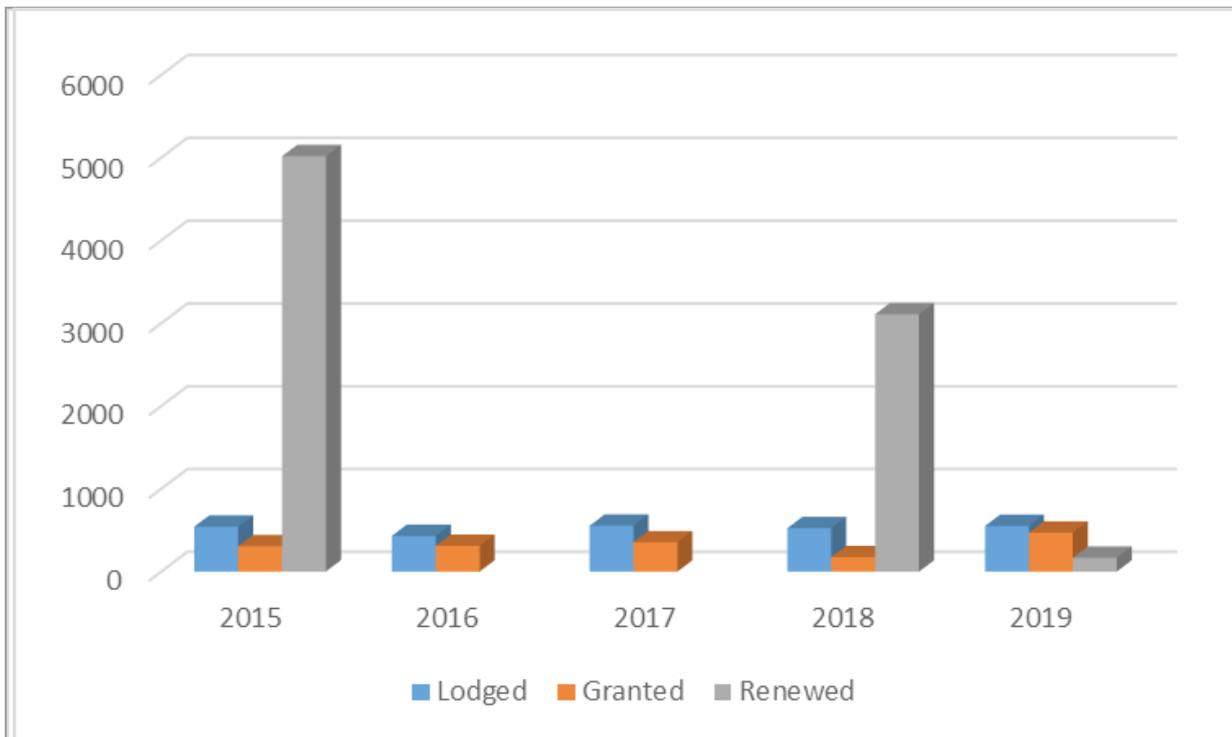


Figure 26: ARIPO Patents Statistics

## 10.5.2. Industrial Designs (National)

Table 26: Industrial Designs (National)

| Year | Lodged | Granted | Renewed |
|------|--------|---------|---------|
| 2015 | 21     | 12      | 7       |
| 2016 | 69     | 14      | 5       |
| 2017 | 28     | 73      | 4       |
| 2018 | 39     | 20      | 8       |
| 2019 | 58     | 47      | 7       |

The table above shows that the number of industrial designs granted increased due to increase in the level of awareness among local businesses on the importance of registering industrial designs.

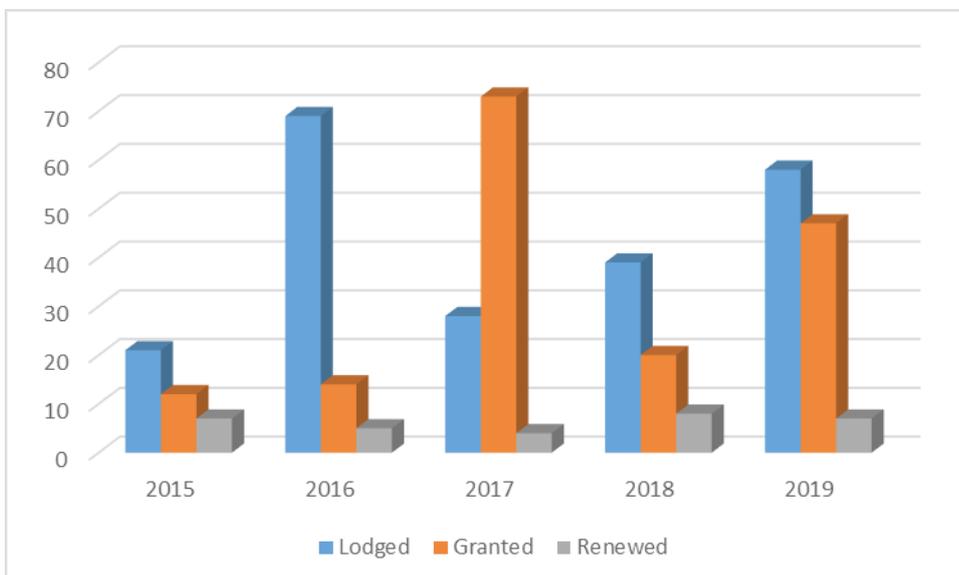


Figure 27: Designs

### 10.5.3. Trademarks 2015 to 2019

**Table 27: Trademarks 2015 to 2019**

| Year | Lodged | Registered | Renewed |
|------|--------|------------|---------|
| 2015 | 1,650  | 1,051      | 950     |
| 2016 | 1,687  | 1,606      | 578     |
| 2017 | 2,134  | 1,291      | 1,598   |
| 2018 | 2,024  | 1,528      | 1,028   |
| 2019 | 1,952  | 1,875      | 1,043   |

The table above shows that there was an increase in the number of trademark registrations due to business process re-engineering.



**Figure 28: Trademark Statistics**

### 10.5.4. Patents (National)

**Table 28: Patents (National)**

| Year | Lodged | Granted | Renewed |
|------|--------|---------|---------|
| 2015 | 39     | 17      | 217     |
| 2016 | 33     | 27      | 120     |
| 2017 | 22     | 18      | 105     |
| 2018 | 24     | 12      | 95      |
| 2019 | 23     | 9       | 116     |

The table above shows a reduction in the number of patents granted between 2018 and 2019 by 25%. This indicates that there were more patents applications which did not reach the registration stage due to rejections, abandonments and non payments.

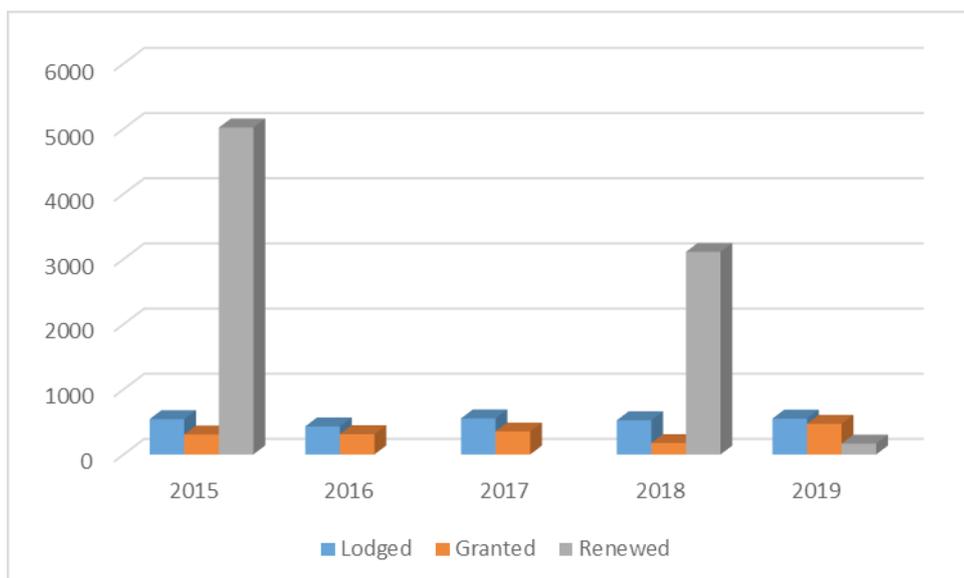


Figure 29: Patents Statistics

### 10.5.5. Copyright 2017 to 2019

Table 29: Copyright

| Year | Lodged | Granted | Rejections |
|------|--------|---------|------------|
| 2017 | 141    | 96      | 45         |
| 2018 | 187    | 158     | 29         |
| 2019 | 141    | 122     | 19         |

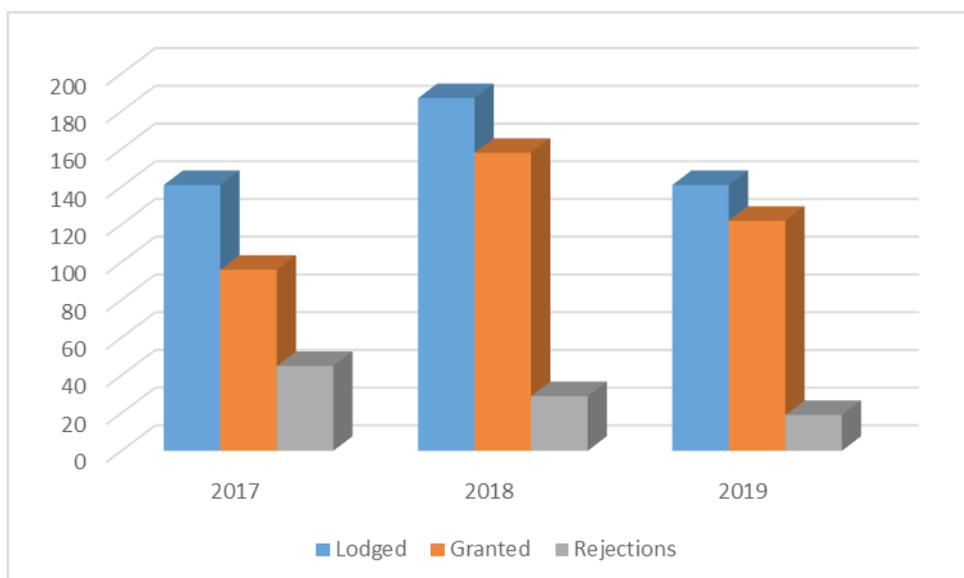


Figure 30: Copyright Statistics

### 10.5.6. Journal Publications 2015 to 2019

Table 30: Journal Publications

| Year | Patents | Trade Marks |
|------|---------|-------------|
| 2015 | 24      | 1,198       |
| 2016 | 12      | 1,691       |
| 2017 | 17      | 2,166       |
| 2018 | 16      | 1,580       |
| 2019 | 23      | 1,794       |



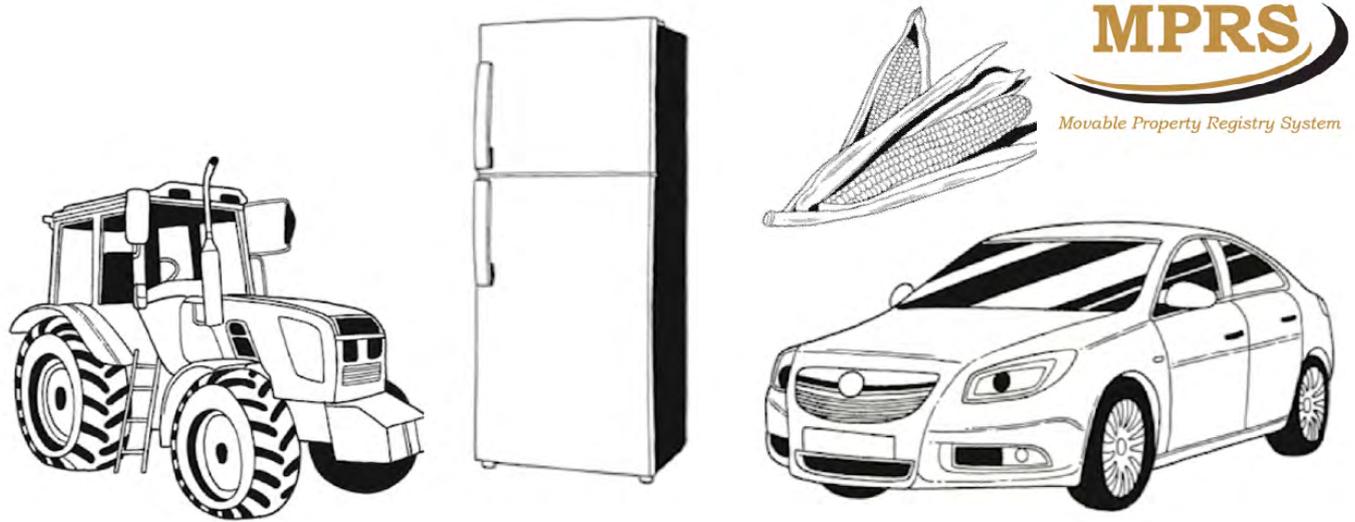
Figure 31: Journal Publication

### 10.5.7. Holograms Affixed

Table 31: Holograms Affixed

| Year | Holograms Affixed |
|------|-------------------|
| 2017 | 95,439            |
| 2018 | 64,016            |
| 2019 | 16,979            |

The drop in the number of holograms sold between 2017 and 2019 is attributed to lack of enforcement against pirated audio-visual works.



## What is Movable Property?

Brought to you by 

## How much does it cost

| <i>Item</i>   | <i>Fees (ZMK)</i> |
|---|-------------------|
| <i>Registration of financing statement</i>                    | 100               |
| <i>Notice of amendment of financing statement</i>             | 100               |
| <i>Discharge of financing statement</i>                       | 100               |
| <i>Search</i>   | 20                |
| <i>Certificate of status</i>                                  | 20                |
| <i>Registration of enforcement notice of creditors rights</i> | 50                |
| <i>Registration of extinguishment of security interest</i>    | 50                |

Brought to you by 

**PATENTS AND COMPANIES REGISTRATION AGENCY  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019**

Patents and Companies Registration Agency  
Directors' Report  
For the year ended 31<sup>st</sup> December 2019

---

| <b>Table of contents</b>                      | <b>Page</b> |
|---|-------------|
| Directors' report .....                       | 53 - 56     |
| Statement of directors' responsibilities..... | 57          |
| Report of the independent auditor.....        | 57 - 59     |
| Financial statements:                         |             |
| Statement of comprehensive Income.....        | 60          |
| Statement of financial position.....          | 61          |
| Statement of changes in equity.....           | 62          |
| Statement of cash flows .....                 | 63          |
| Notes.....                                    | 64 - 81     |
| Detailed operating statement .....            | 82          |

Patents and Companies Registration Agency  
Directors' Report  
For the year ended 31<sup>st</sup> December 2019

The directors have the pleasure of presenting their report and audited financial statements for the year ended 31<sup>st</sup> December 2019.

### 1. Principal Activities

The principal activities of the Patents and Companies Registration Agency are to administer the following:

- The Companies Act;
- The Corporate Insolvency Act;
- The Registration of Business Names Act;
- The Patents Act;
- The Trade Marks Act;
- The Registered Designs Act;
- The Companies (Certificate Validation) Act;
- The Moveable Property (Security Interest) Act;
- The Copyright and Performance Rights Act;
- The Protection of Traditional Knowledge, Genetic Resources and Expressions of Folklore Act; and
- The Layout Designs of Integrated Circuits Act

### 2. The Registered office and principal place of business

The address of the Agency's registered office and principal place of business is:

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

### 3. Financial Results

The Agency's financial year is from 1<sup>st</sup> January to 31<sup>st</sup> December.

During the financial year ended 31<sup>st</sup> December 2019, the Agency recorded a surplus before depreciation, amortisation and impairment of K4 million as compared to a deficit of K2.9 million during the year ended 31<sup>st</sup> December 2018. The Agency recorded a deficit after depreciation, amortisation and impairment of K9.4 million as compared to a deficit of K13.3 million during the year ended 31<sup>st</sup> December 2018.

The following is a summary of the financial results:-

|   | <b>2019</b>    | <b>2018</b>     |
|---|----------------|-----------------|
|   | <b>K'000</b>   | <b>K'000</b>    |
| Grant Income  | 63,295         | 56,000          |
| Other Income  | 4,431          | 2,478           |
| Total operating income                                      | 67,726         | 58,478          |
| Operating expenditure                                       | (63,715)       | (61,395)        |
| <b>Surplus/(Deficit) before dep, amort &amp; impairment</b> | <b>4,011</b>   | <b>(2,917)</b>  |
| Depreciation & amortisation                                 | (4,079)        | (5,862)         |
| Impairment loss provision*                                  | (9,333)        | (4,494)         |
| <b>Deficit before taxation</b>                              | <b>(9,401)</b> | <b>(13,273)</b> |
| Income tax expense  | -              | -               |
| <b>Deficit for the year</b>                                 | <b>(9,401)</b> | <b>(13,273)</b> |

\*The impairment loss provision refers to the write-off of the November and December 2018 Grants.

Patents and Companies Registration Agency  
Directors' Report  
For the year ended 31<sup>st</sup> December 2019

#### 4. Directors

The following directors held office during the year under review:

|                               |   |
|-------------------------------|---|
| Prof. Mpazi Sinjela           | - Chairperson   |
| Mr. George Mpundu Kanja       | - Vice Chairperson  |
| Mrs. Kayula Siame             | - Board member – Retired 5 <sup>th</sup> September 2019   |
| Mr. Mushuma Mulenga           | - Board member – Appointed 5 <sup>th</sup> September 2019 |
| Mrs. Brigitte Nangoyi Muyenga | - Board member  |
| Mr. Joe Hantebe Simachela     | - Board member  |
| Mr. Samson Longwe             | - Board member  |
| Mr. Rocky Sombe               | - Board member  |
| Mr. Anthony Bwembya           | - Board Secretary and CEO                                 |

#### 5. Directors' Fees and Remuneration

The Agency paid Fees to the members of the board of directors in the period under review amounting to K854, 500 (2018 – K610, 096).

#### 6. Loans to Directors

There were no loans made to non-executive directors during the year or any outstanding loans from them at the year end.

#### 7. Directors' Pensions

Members of the Board were not entitled to any form of defined pension benefits from the Agency.

#### 8. Health, Safety and Environmental Issues

The Agency is committed to promoting the health, safety and welfare of its employees and for protecting other persons against risks to health and safety arising out of, and in connection with, the activities at work of those employees.

#### 9. Corporate Governance

The Directors continue to be committed to high standards of corporate governance, which is fundamental to discharging their leadership responsibilities. The Directors apply integrity, principles of good governance and accountability.

#### 10. Number of Employees

The average number of persons employed by the Agency and their remuneration during the financial year was as follows: -

| Month     | <u>Salaries and allowances</u> |               | <u>Number of employees</u> |      |
|-----------|--------------------------------|---------------|----------------------------|------|
|           | 2019<br>K'000                  | 2018<br>K'000 | 2019                       | 2018 |
| January   | 4,635                          | 5,975         | 180                        | 181  |
| February  | 3,996                          | 3,744         | 179                        | 180  |
| March     | 4,074                          | 4,045         | 178                        | 180  |
| April     | 4,694                          | 4,762         | 176                        | 180  |
| May       | 3,881                          | 3,604         | 179                        | 180  |
| June      | 3,866                          | 3,974         | 177                        | 180  |
| July      | 3,994                          | 3,589         | 177                        | 179  |
| August    | 4,737                          | 4,682         | 176                        | 179  |
| September | 3,746                          | 4,119         | 176                        | 180  |
| October   | 3,725                          | 3,620         | 175                        | 179  |
| November  | 3,889                          | 3,863         | 175                        | 179  |
| December  | 5,546                          | 4,166         | 176                        | 179  |

Patents and Companies Registration Agency  
Directors' Report  
For the year ended 31<sup>st</sup> December 2019

---

**11. Research and Development**

During the year, the Agency did not incur any costs on research and development (2018: Nil).

**12. Gifts and Donations**

During the year, the Agency did not make any donations (2018: Nil) to charitable organisations.

**14. Other material facts, circumstances and events**

The directors are not aware of any material fact, circumstance or event which occurred between the accounting date and the date of this report which might influence an assessment of the Agency's financial position or the results of its operations.

**15. Annual Financial Statements**

The annual financial statements set out on pages 51 to 82 have been approved by the directors.

**16. Auditors**

The auditor, Mark Daniels, have indicated their willingness to continue in office.

By order of the Board

Secretary



09/04/2020

Patents and Companies Registration Agency  
Directors' Report  
For the year ended 31<sup>st</sup> December 2019

---

Section 17 of the PACRA Act, No 15 of 2010 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Agency as at the end of the financial year and of its surplus or deficit. It also requires the Directors to ensure that the Agency keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Agency. They are also responsible for safeguarding the assets of the Agency.

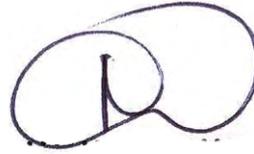
The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Financial Reporting Standards and the requirements of the law. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Agency and of its surplus or deficit in accordance with International Financial Reporting Standards. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Nothing has come to the attention of the Directors to indicate that the Agency will not remain a going concern for at least twelve months from the date of this statement.



---

**Board Chairperson**



---

**Board member**

09/04/2020

## **INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF PATENTS AND COMPANIES REGISTRATION AGENCY**

---

### **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 2019, and the statement of comprehensive income, statement of changes in equity 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 at 31st December 2019 and of its financial performance and cash flows for the year ended and have been properly prepared in accordance with the International Financial Reporting Standards

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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.

#### **Other information**

Management is 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF PATENTS AND COMPANIES REGISTRATION AGENCY (CONTINUED)**

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the 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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 BOARD OF DIRECTORS OF PATENTS AND COMPANIES REGISTRATION AGENCY  
(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 2019 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.

*Mark Daniel*

**Chartered Accountants  
Lusaka**

**13/04/2020**

*WKKK Kasongo*

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

Patents and Companies Registration Agency  
 Directors' Report  
 For the year ended 31<sup>st</sup> December 2019

## Statement of Comprehensive Income

|   | Notes | 2019<br>K'000   | 2018<br>K'000   |
|---|-------|-----------------|-----------------|
| Grant income  | 6     | 63,295          | 56,000          |
| Other income  | 6     | 4,431           | 2,478           |
|   |       | <u>67,726</u>   | <u>58,478</u>   |
| Operating expenditure                                       |       | <u>(63,715)</u> | <u>(61,395)</u> |
| <b>Surplus/(Deficit) before dep, amort &amp; impairment</b> |       | <b>4,011</b>    | <b>(2,917)</b>  |
| Depreciation & amortisation                                 | 8 & 9 | (4,079)         | (5,862)         |
| Impairment loss provision*                                  |       | <u>(9,333)</u>  | <u>(4,494)</u>  |
| <b>Deficit before taxation</b>                              |       | <b>(9,401)</b>  | <b>(13,273)</b> |
| Income tax expense  | 3(k)  | <u>-</u>        | <u>-</u>        |
| <b>Deficit for the year</b>                                 |       | <b>(9,401)</b>  | <b>(13,273)</b> |

\*The impairment loss provision refers to the write-off of the November and December 2018 Grants.

Patents and Companies Registration Agency  
 Directors' Report  
 For the year ended 31<sup>st</sup> December 2019

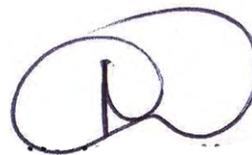
### Statement of Financial Position

|                                     | Notes | 2019<br>K'000        | 2018<br>K'000        |
|-------------------------------------|-------|----------------------|----------------------|
| <b>ASSETS</b>                       |       |                      |                      |
| <b>Non-current assets</b>           |       |                      |                      |
| Property, plant and equipment       | 8     | 26,462               | 26,690               |
| Intangible assets                   | 9     | <u>1,677</u>         | <u>3,773</u>         |
|                                     |       | <u>28,139</u>        | <u>30,463</u>        |
| <b>Current assets</b>               |       |                      |                      |
| Inventories                         | 10    | 247                  | 163                  |
| Trade and other receivables         | 11    | 5,114                | 18,475               |
| Cash and cash equivalents           | 12    | <u>16,706</u>        | <u>12,602</u>        |
|                                     |       | <u>22,067</u>        | <u>31,240</u>        |
| <b>Total assets</b>                 |       | <b><u>50,206</u></b> | <b><u>61,703</u></b> |
| <b>EQUITY AND LIABILITIES</b>       |       |                      |                      |
| <b>Capital and reserves</b>         |       |                      |                      |
| Accumulated fund                    |       | 19,157               | 28,671               |
| Revaluation reserve                 |       | 21,947               | 21,947               |
| Capital Grant                       |       | <u>1,324</u>         | <u>1,986</u>         |
|                                     |       | <u>42,428</u>        | <u>52,604</u>        |
| <b>Current liabilities</b>          |       |                      |                      |
| Trade and other payables            | 13    | <u>7,778</u>         | <u>9,099</u>         |
|                                     |       | <u>7,778</u>         | <u>9,099</u>         |
| <b>Total equity and liabilities</b> |       | <b><u>50,206</u></b> | <b><u>61,703</u></b> |

The financial statements on pages 51 to 82 were approved for issue by the Board members on 09/04/ 2020 and signed on its behalf by:



Board Chairperson



Registrar & Chief Executive Officer

Patents and Companies Registration Agency  
 Directors' Report  
 For the year ended 31<sup>st</sup> December 2019

## STATEMENT OF CHANGES IN EQUITY

|   | Capital<br>Grant<br>K'000 | Revaluation<br>reserves<br>K'000 | Accumulated<br>fund<br>K'000 | Total<br>K'000 |
|---|---------------------------|----------------------------------|------------------------------|----------------|
| <b>At 1<sup>st</sup> January 2018</b>   | 2,648                     | 23,647                           | 40,205                       | 66,500         |
| Prior year adjustment                   |                           |                                  | 39                           | 39             |
| Restated balance                        | 2,648                     | 23,647                           | 40,244                       | 66,539         |
| Amortisation                            | (662)                     |                                  |                              | (662)          |
| Realisation of revaluation gain         |                           | (1,700)                          | 1,700                        | -              |
| Deficit for the year                    |                           |                                  | (13,273)                     | (13,273)       |
| Total comprehensive income              | -                         | -                                | (13,273)                     | (13,273)       |
| <b>At 31<sup>st</sup> December 2019</b> | <b>1,986</b>              | <b>21,947</b>                    | <b>28,671</b>                | <b>52,604</b>  |
| <b>At 1<sup>st</sup> January 2019</b>   | 1,986                     | 21,947                           | 28,671                       | 52,604         |
| Prior year adjustment                   |                           |                                  | (113)                        | (113)          |
| Restated balance                        | 1,986                     | 21,947                           | 28,558                       | 52,491         |
| Amortisation                            | (662)                     |                                  |                              | (662)          |
| Deficit for the year                    |                           |                                  | (9,401)                      | (9,401)        |
| Total comprehensive income              |                           |                                  | (9,401)                      | (9,401)        |
| <b>At 31<sup>st</sup> December 2019</b> | <b>1,324</b>              | <b>21,947</b>                    | <b>19,157</b>                | <b>42,428</b>  |

Patents and Companies Registration Agency  
 Directors' Report  
 For the year ended 31<sup>st</sup> December 2019

## STATEMENT OF CASH FLOWS

|   | Notes | 2019<br>K'000        | 2018<br>K'000        |
|---|-------|----------------------|----------------------|
| <b>Cash flow from operating activities</b>                          |       |                      |                      |
| Deficit for the year  |       | (9,401)              | (13,273)             |
| (Profit) on disposal of non-current assets                          |       | (867)                | (272)                |
| Prior year adjustment in reserves                                   |       | (113)                | 39                   |
| Prior year adjustments in fixed assets                              |       | -                    | 13                   |
| Prior year adjustments in accumulated depreciation                  |       | -                    | (46)                 |
| Amortisation of grant   |       | (662)                | (662)                |
| Depreciation  |       | 1,983                | 3,232                |
| Amortisation of software  |       | 2,096                | 2,630                |
| Interest received   |       | (949)                | (1,476)              |
| Decrease/(increase) in receivables                                  |       | 13,361               | (7,609)              |
| Increase in inventories   |       | (84)                 | (52)                 |
| Increase/(decrease) payables  |       | (1,321)              | 3,446                |
| Net cash generated from/(used on)                                   |       | <u>4,043</u>         | <u>(14,030)</u>      |
| <b>Returns on investments and serving of finance</b>                |       |                      |                      |
| Interest received   |       | 949                  | 1,476                |
| Net cash inflow on returns on investments<br>and serving of finance |       | <u>-</u>             | <u>-</u>             |
|   |       | <u>949</u>           | <u>1,476</u>         |
| <b>Investing activities</b>   |       |                      |                      |
| Proceeds from sale of assets  |       | 867                  | 275                  |
| Purchase of property, plant and equipment                           | 8     | <u>(1,755)</u>       | <u>(1,834)</u>       |
| Net cash used in investing activities                               |       | <u>(888)</u>         | <u>(1,559)</u>       |
| Opening cash and cash equivalents                                   |       | 12,602               | 26,715               |
| Increase/(decrease) in cash and cash equivalents                    |       | <u>4,104</u>         | <u>(14,113)</u>      |
| Closing cash and cash equivalents                                   |       | <u><b>16,706</b></u> | <u><b>12,602</b></u> |
| <b>Represented by:</b>  |       |                      |                      |
| Cash and cash equivalents   | 12    | <u><b>16,706</b></u> | <u><b>12,602</b></u> |

Patents and Companies Registration Agency  
Directors' Report  
For the year ended 31<sup>st</sup> December 2019

## NOTES

### 1. Basis of preparing financial statements

The financial statements of PACRA have been prepared on the going concern basis and in accordance with the International Financial Reporting Standards (IFRS) and comply with the requirements of the PACRA Act. They have been prepared under the historical cost convention adjusted by the revaluation of tangible fixed assets. The financial statements are presented in Kwacha and all values are rounded off to the nearest thousands (K'000) except where otherwise indicated.

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

#### (a) New standards and amendments-applicable 1 January 2019

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2019.

| Title   | Key requirements   | Effective date*  |
|---|--|--|
| IFRS 16 Leases  | <p>IFRS 16 will affect primarily the accounting by leases and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.</p> <p>The statement of profit or loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.</p> <p>Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.</p> <p>The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease.</p> <p>Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.</p> | 1 <sup>st</sup> January 2019<br>Early adoption is permitted only if IFRS 15 is adopted at the same time. |
| Interpretation 23 <i>Uncertainty over Income Tax Treatments</i> | <p>The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:</p> <p>how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty</p>  | 1 <sup>st</sup> January 2019   |

Patents and Companies Registration Agency  
Directors' Report  
For the year ended 31<sup>st</sup> December 2019

## Notes (continued)

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

#### (a) New standards and amendments-applicable 1 January 2019 (continued)

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2019

| Title  | Key requirements  | Effective date*                    |
|--|---|------------------------------------|
| <p>Interpretation<br/>23 <i>Uncertainty over Income Tax Treatments</i><br/>(continued)</p> | <p>that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored</p> <p>that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment</p> <p>that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and</p> <p>that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.</p> <p>While there are no new disclosure requirements, entities are reminded of the general requirement to provide information about judgements and estimates made in preparing the Financial Statements.</p> | <p>1<sup>st</sup> January 2019</p> |
| <p><i>Prepayment Features with Negative Compensation - Amendments to IFRS 9</i></p>        | <p>The narrow-scope amendments made to IFRS 9 Financial Instruments in October 2017 enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss.</p> <p>To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.</p>   | <p>1<sup>st</sup> January 2019</p> |
| <p><i>Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28</i></p>  | <p>The amendments clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under IFRS 9 Financial Instruments before applying the loss allocation and impairment requirements in IAS 28 Investments in Associates and Joint Ventures.</p>   | <p>1<sup>st</sup> January 2019</p> |

Patents and Companies Registration Agency  
 Directors' Report  
 For the year ended 31<sup>st</sup> December 2019

**Notes (continued)**

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

**(a) New standards and amendments-applicable 1 January 2019 (continued)**

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2019

| Title  | Key requirements  | Effective date*                    |
|--|---|------------------------------------|
| <i>Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28</i> | The amendments clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under IFRS 9 Financial Instruments before applying the loss allocation and impairment requirements in IAS 28 Investments in Associates and Joint Ventures.  |                                    |
| <i>Annual Improvements to IFRS Standards 2015-2017 Cycle</i>                       | <p>The following improvements were finalised in December 2017:</p> <p>IFRS 3 Business Combinations – clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.</p> <p>IFRS 11 Joint Arrangements – clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.</p> <p>IAS 12 Disclosure of Interests in Other Entities – clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.</p> <p>IAS 23 Borrowing Costs – clarified that, if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.</p> | 1 <sup>st</sup><br>January<br>2019 |
| <i>Plan Amendment, Curtailment or Settlement – Amendments to IAS 19</i>            | <p>The amendments to IAS 19 Employee Benefits clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:</p> <p>calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change</p> <p>recognise any reduction in a surplus immediately in profit or loss, either as part of past service cost or as a gain or loss on settlement.</p> <p>In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling</p> <p>separately recognise any changes in the asset ceiling through other comprehensive income.</p>   | 1 <sup>st</sup><br>January<br>2019 |

Patents and Companies Registration Agency  
Directors' Report  
For the year ended 31<sup>st</sup> December 2019

## Notes (continued)

### (b) Forth coming requirements

As at 31<sup>st</sup> May 2019, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending 31 December 2019

| Title  | Key requirements   | Effective date*   |
|--|--|---|
| <p>IFRS 17<br/><i>Insurance Contracts</i></p>                        | <p>IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured in each reporting period. Contracts are measured using the building blocks of:</p> <p>discounted probability-weighted cash flows an explicit risk adjustment, and a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.</p> <p>The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.</p> <p>An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.</p> <p>There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.</p> <p>The new rules will affect the Financial Statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.</p> | <p>1<sup>st</sup> January 2021 (likely to be extended to 1<sup>st</sup> January 2022)</p> |
| <p><i>Definition of Material – Amendments to IAS 1 and IAS 8</i></p> | <p>The IASB has made amendments to IAS 1 <i>Presentation of Financial Statements</i> and IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> which use a consistent definition of materiality throughout International Financial Reporting Standards and the <i>Conceptual Framework for Financial Reporting</i>, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.</p> <p>In particular, the amendments clarify:</p> <p>that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the Financial Statements as a whole, and the meaning of 'primary users of general purpose Financial Statements' to whom those Financial Statements are directed, by defining them as existing and potential investors, lenders and other creditors' that must rely on general purpose Financial Statements for much of the financial information they need.</p>   | <p>1<sup>st</sup> January 2020</p>  |

Patents and Companies Registration Agency  
 Directors' Report  
 For the year ended 31<sup>st</sup> December 2019

**Notes (continued)**

**(b) Forth coming requirements**

As at 31<sup>st</sup> May 2019, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending 31 December 2019

| Title   | Key requirements  | Effective date*              |
|---|---|------------------------------|
| <i>Definition of a Business – Amendments to IFRS 3</i>      | <p>The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.</p> <p>The amendments will likely result in more acquisitions being accounted for as asset acquisitions.</p>  | 1 <sup>st</sup> January 2020 |
| <i>Revised Conceptual Framework for Financial Reporting</i> | <p>The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:</p> <ul style="list-style-type: none"> <li>• increasing the prominence of stewardship in the objective of financial reporting</li> <li>• reinstating prudence as a component of neutrality</li> <li>• defining a reporting entity, which may be a legal entity, or a portion of an entity</li> <li>• revising the definitions of an asset and a liability</li> <li>• removing the probability threshold for recognition and adding guidance on derecognition</li> <li>• adding guidance on different measurement basis, and</li> <li>• stating that profit or loss is the primary performance indicator and that,</li> <li>• in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the Financial Statements.</li> </ul> | 1 <sup>st</sup> January 2020 |

Patents and Companies Registration Agency  
 Directors' Report  
 For the year ended 31<sup>st</sup> December 2019

## Notes (continued)

### (b) Forth coming requirements (continued)

As at 31 May 2019, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending 31 December 2019

| Title  | Key requirements   | Effective date*                    |
|--|--|------------------------------------|
| <p><i>Revised Conceptual Framework for Financial Reporting (continued)</i></p>   | <p>No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework.</p>   | <p>1<sup>st</sup> January 2020</p> |
| <p><i>Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28</i></p> | <p>The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in associates and joint ventures.</p> <p>The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).</p> <p>Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.</p> <p>** In December 2015 the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.</p> |                                    |

Patents and Companies Registration Agency  
Directors' Report  
For the year ended 31<sup>st</sup> December 2019

---

## Notes (Continued)

### 3 Summary of Significant Accounting Policies

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

#### (a) Basis of Preparation

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS). The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Zambian Kwacha (K), rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Agency's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

#### (b) Revenue Recognition

The Agency recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Agency and when specific criteria have been met for each of the Agency's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Agency bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

##### Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

##### Interest income

Revenue is recognised as interest accrues using the effective interest method.

#### (c) Construction Contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Patents and Companies Registration Agency  
 Directors' Report  
 For the year ended 31<sup>st</sup> December 2019

## Notes (Continued)

### (d) Functional Currency and Translation of Foreign Currencies

Transactions are recorded on initial recognition in Zambia Kwacha, being the currency of the primary economic environment in which the Agency operates (the functional currency). Transactions in foreign currencies are converted into Zambia Kwacha using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the transaction at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or cost'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other (losses)/gains – net'.

### (e) Property, Plant and Equipment

All categories of property, plant and equipment are initially recorded at cost. Buildings and freehold land are subsequently shown at market value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Increases in the carrying amount arising on revaluation are credited to a revaluation surplus reserve in equity. Decreases that offset previous increases of the same asset are charged against the revaluation surplus; all other decreases are charged to the profit and loss account. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the profit and loss account) and depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts less their residual values over their estimated useful lives, as follows:

|                                 |         |     |        |
|---------------------------------|---------|-----|--------|
| Leasehold Land and Buildings    | 50years | 2%  | 33.33% |
| Motor vehicles                  | 4years  | 25% | 25%    |
| Furniture and fittings          | 4 years | 25% |        |
| Computer equipment and software | 4 years | 25% |        |

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

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Patents and Companies Registration Agency  
Directors' Report  
For the year ended 31<sup>st</sup> December 2019

---

## Notes (Continued)

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining profit. On disposal of revalued assets, amounts in the revaluation surplus relating to that asset are transferred to retained earnings.

### (f) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment of receivables is established when there is objective evidence that the Agency will not be able to collect all the amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the present value of expected cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit and loss account.

### (g) Payables

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

### (h) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings.

Borrowings are classified as current liabilities unless the Agency has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

### (i) Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

### (j) Employee Benefits

#### (i) Retirement benefit obligations

The Agency operates a defined contribution retirement benefit scheme for all employees. The Agency and all its employees contribute to the National Pension Scheme Fund, which is a defined contribution scheme. A defined contribution plan is a retirement benefit plan under which the Agency pays fixed contributions into a separate entity. The Agency has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Agency's contributions to the defined contribution schemes are charged to the profit and loss account in the year in which they fall due.

Patents and Companies Registration Agency  
Directors' Report  
For the year ended 31<sup>st</sup> December 2019

---

## Notes (Continued)

### (j) Employee Benefits

#### (ii) Other entitlements

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

### (k) Taxation

The Patents and Companies Registration Agency is a statutory body exempt from income tax.

## 4 Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

#### (i) Critical accounting estimates and assumptions

The Agency makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### **Receivables**

Critical estimates are made by the directors in determining the recoverable amount of impaired receivables.

#### (ii) Critical judgements in applying the entity's accounting policies

In the process of applying the Agency's accounting policies, management has made judgements in determining:

- the classification of financial assets
- whether assets are impaired.

Patents and Companies Registration Agency  
Directors' Report  
For the year ended 31<sup>st</sup> December 2019

---

## Notes (Continued)

### 5 Financial risk management objectives and policies

The Agency's activities expose it to a variety of financial risks: Market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Agency's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance, but the Agency does not hedge any risks.

#### (i) Fair Value Risk

Fair value is the amount at which assets and liabilities can be exchanged in a current transaction between willing parties, other than in a forced liquidation, and is best evidenced by a quoted market price, where one exists.

The estimated fair values of assets and liabilities have been determined by the Agency using available market information and appropriate valuation methodologies. Accordingly, the estimates are not necessarily indicative of the amounts the Agency could realise in a current market exchange. The carrying amounts of the assets and liabilities approximate their fair values.

#### (ii) Credit Risk

The exposure to credit risk is monitored on an on-going basis. Reputable financial institutions are used for investing and cash handling purposes.

Investments are allowed only in liquid securities and management does not expect to fail to meet its obligations.

#### (iii) Operational Risk

Certain policies, procedures and limits are properly documented in each department within the Agency and updated occasionally to take account of the changes to internal controls, procedures and limits. Management endeavours to continuously update policies and procedures.

#### (iv) Strategic Risk

The Agency's strategic plan is comprehensive in all aspects with particular emphasis on compliance with legal and market conditions and senior management effectively communicates the plan to all staff levels and allocates resources in line with the laid down objectives.

#### (v) Interest Risk

The Agency is exposed to interest rate risk to the extent of the balance of any loans and bank overdrafts taken and outstanding.

#### (vi) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Agency's liquidity reserve on the basis of expected cash flow.

Patents and Companies Registration Agency  
 Directors' Report  
 For the year ended 31<sup>st</sup> December 2019

## Notes (Continued)

### 5 Financial risk management objectives and policies (continued)

#### (vii) 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 for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Agency may limit the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

### 6. Revenue

Revenue represents receipts from grants, interest earnings and miscellaneous income.

|   | Notes | 2019<br>K'000 | 2018<br>K'000 |
|---|-------|---------------|---------------|
| (i) <b>Grant income</b>                           |       |               |               |
| Ministry of finance                               |       | 63,295        | 56,000        |
|   |       | <b>63,295</b> | <b>56,000</b> |
| (ii) <b>Other Income</b>                          |       |               |               |
| Interest  |       | 949           | 1,476         |
| Rental income                                     |       | 60            | 63            |
| Project funds                                     |       | 1,881         | -             |
| Amortisation of grant                             |       | 662           | 662           |
| Miscellaneous income                              |       | 12            | 5             |
| Profit on disposal of assets                      |       | 867           | 272           |
|   |       | 4,431         | 2,478         |
| <b>Total</b>                                      |       | <b>67,726</b> | <b>58,478</b> |
| 7. <b>Deficit for the year</b>                    |       |               |               |
| The deficit for the year is stated after charging |       |               |               |
| Total remuneration                                |       | 50,781        | 50,144        |
| Depreciation and amortisation                     |       | 4,079         | 5,862         |
| Directors remuneration                            |       | 854           | 610           |

Patents and Companies Registration Agency  
Directors' Report  
For the year ended 31<sup>st</sup> December 2019

**Notes (continued)**

**8. Property, plant and equipment**

(a) Summary

|                          | <b>Leasehold<br/>land,<br/>buildings</b> | <b>Motor<br/>vehicles</b> | <b>Office<br/>furniture<br/>and<br/>equipment</b> | <b>Capital<br/>work-in-<br/>progress</b> | <b>Total</b>  |
|--------------------------|--|---------------------------|---|--|---------------|
|                          | <b>K'000</b>                             | <b>K'000</b>              | <b>K'000</b>                                      | <b>K'000</b>                             | <b>K'000</b>  |
| <b>Cost or valuation</b> |  |                           |   |  |               |
| At 1 January 2018        | 25,375                                   | 6,297                     | 9,076   | 100                                      | 40,848        |
| Additions                |  | 1,311                     | 283   | 240                                      | 1,834         |
| Disposal                 | -  | (235)                     | (14)  | -  | (249)         |
| At 31 December 2018      | 25,375                                   | 7,373                     | 9,345   | 340                                      | 42,433        |
| Additions                |  | 555                       | 100   | 1101                                     | 1,755         |
| Disposals                |  | (2,295)                   | (5)   | -  | (2,300)       |
| At 31 December 2019      | 25,375                                   | 5,634                     | 9,439   | 1,441                                    | 41,888        |
| <b>Depreciation</b>      |  |                           |   |  |               |
| At 1 January 2018        | 1,439                                    | 5,030                     | 6,288   | -  | 12,757        |
| Charge for the year      | 404                                      | 890                       | 1,938   | -  | 3,232         |
| Disposal                 |  | (235)                     | (11)  | -  | (246)         |
| At 31 December 2018      | 1,843                                    | 5,685                     | 8,215   | -  | 15,743        |
| Charge for the year      | 404                                      | 659                       | 920   | -  | 1,983         |
| Disposals                |  | (2,295)                   | (5)   | -  | (2,300)       |
| At 31 December 2019      | 2,247                                    | 4,049                     | 9,130   | -  | 15,426        |
| <b>Net book value</b>    |  |                           |   |  |               |
| At 31 December 2019      | <b>23,128</b>                            | <b>1,584</b>              | <b>310</b>  | <b>1,441</b>                             | <b>26,462</b> |
| At 31 December 2018      | 23,532                                   | 1,688                     | 1,130   | 340                                      | 26,690        |

(b) In the opinion of the Directors there are no major components of property, plant and equipment which have different useful lives that would require to be depreciated separately and allocated separate residual values.

The Directors consider that the carrying value of property, plant and equipment approximates to its fair value

Patents and Companies Registration Agency  
 Directors' Report  
 For the year ended 31<sup>st</sup> December 2019

## Notes (continued)

### 9. Intangible asset

|                  | <b>2019</b><br><b>K'000</b> | <b>2018</b><br><b>K'000</b> |
|------------------|-----------------------------|-----------------------------|
| At start of year | 3,773                       | 6,403                       |
| Amortisation     | <u>(2,096)</u>              | <u>(2,630)</u>              |
| At end of year   | <b><u>1,677</u></b>         | <b><u>3,773</u></b>         |

The intangible asset represents the cost of software that is amortised over the useful life of the asset.

### 10. Inventories

|                   |            |            |
|-------------------|------------|------------|
| Stationery stocks | <u>247</u> | <u>163</u> |
|                   | <b>247</b> | <b>163</b> |

### 11. Trade and other receivables

|                                 |                     |                      |
|---------------------------------|---------------------|----------------------|
| Trade receivables               | 9,437               | 18,500               |
| Staff Imprest                   | 13                  | -                    |
| Staff loans and advances        | <u>4,997</u>        | <u>4,466</u>         |
|                                 | 14,447              | 22,966               |
| Less:                           |                     |                      |
| Provision for impairment losses | <u>(9,333)</u>      | <u>(4,491)</u>       |
|                                 | <b><u>5,114</u></b> | <b><u>18,475</u></b> |

The Directors consider that the carrying amounts of trade and other receivables approximate their fair values.

In determining the recoverability of a trade receivable the Agency considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

Performance of trade receivables are reviewed by management on an on-going basis.

### Maturity analysis of staff loans and advances

|  |                     |                     |
|--|---------------------|---------------------|
| Amounts falling due within one year          | 916                 | 976                 |
| Amounts falling due after more than one year | <u>4,081</u>        | <u>3,490</u>        |
|  | <b><u>4,997</u></b> | <b><u>4,466</u></b> |

Interest is charged on staff loans at 7% pa

Patents and Companies Registration Agency  
 Directors' Report  
 For the year ended 31<sup>st</sup> December 2019

## Notes (continued)

### 12. Cash and cash equivalents

|                        | 2019<br>K'000 | 2018<br>K'000 |
|------------------------|---------------|---------------|
| Cash and bank balances | <u>16,706</u> | <u>12,602</u> |
|                        | <b>16,706</b> | <b>12,602</b> |

### 13. Trade and other payables

|                     |              |              |
|---------------------|--------------|--------------|
| Trade payables      | 178          | 306          |
| Other payables      | 3,818        | 4,848        |
| Provision for leave | <u>3,782</u> | <u>3,945</u> |
|                     | <b>7,778</b> | <b>9,099</b> |

Trade and other payables principally comprise amounts outstanding in respect of trade purchases and on-going costs, as well as amounts accrued in respect of operating costs.

No interest is charged on trade payables. The Agency ensures that all payables are paid within the credit time frame.

The Directors consider that the carrying amount of trade and other payables approximates their fair value.

### 14. Financial Instruments

The Agency's financial risk management policies and objectives have been described in detail under note 6 to the financial statements.

#### (a) Categories of Financial Instruments

|                        | 2019<br>K'000 | 2018<br>K'000 |
|------------------------|---------------|---------------|
| Financial assets:      |               |               |
| -Trade receivables     | 9,437         | 18,500        |
| -Sundry receivables    | 5,010         | 4,466         |
| -Bank and cash         | <u>16,706</u> | <u>12,602</u> |
|                        | <b>31,153</b> | <b>35,568</b> |
| Financial liabilities: |               |               |
| -Trade payables        | 178           | 306           |
| -Other payables        | <u>7,600</u>  | <u>8,793</u>  |
|                        | <b>7,778</b>  | <b>9,099</b>  |

Patents and Companies Registration Agency  
Directors' Report  
For the year ended 31<sup>st</sup> December 2019

## Notes (continued)

### (b) Exposure to credit risk

The Agency's maximum exposure to credit risk is analysed below

|                     | <b>2019</b>          | <b>2018</b>          |
|---------------------|----------------------|----------------------|
|                     | <b>K'000</b>         | <b>K'000</b>         |
| -Trade receivables  | 9,437                | 18,500               |
| -Sundry receivables | 5,010                | 4,466                |
| -Bank and cash      | <u>16,706</u>        | <u>12,602</u>        |
|                     | <b><u>31,153</u></b> | <b><u>35,568</u></b> |

### (c) Liquidity risk management

The following table below details the Agency's remaining contractual maturity for its non-derivative financial assets and liabilities. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets and liabilities.

|                              | <b>1 to 12</b>       | <b>1 to 5</b>       | <b>Total</b>         |
|------------------------------|----------------------|---------------------|----------------------|
|                              | <b>months</b>        | <b>years</b>        |                      |
|                              | <b>K'000</b>         | <b>K'000</b>        | <b>K'000</b>         |
| <b>At 31st December 2019</b> |                      |                     |                      |
| <b>Financial liabilities</b> |                      |                     |                      |
| -Trade and other payables    | <u>7,778</u>         | <u>-</u>            | <u>7,778</u>         |
|                              | <b><u>7,778</u></b>  |                     | <b><u>7,778</u></b>  |
| <b>Financial assets</b>      |                      |                     |                      |
| -Staff receivables           | 916                  | 4,081               | 4,997                |
| -Sundry receivables          | 9,450                |                     | 9,450                |
| -Bank and cash balances      | <u>16,706</u>        | <u>-</u>            | <u>16,706</u>        |
|                              | <b><u>27,072</u></b> | <b><u>4,081</u></b> | <b><u>31,153</u></b> |
| <b>At 31 December 2018</b>   |                      |                     |                      |
| <b>Financial liabilities</b> |                      |                     |                      |
| -Trade and other payables    | <u>9,099</u>         | <u>-</u>            | <u>9,099</u>         |
|                              | <b><u>9,099</u></b>  | <b><u>-</u></b>     | <b><u>9,099</u></b>  |
| <b>Financial assets</b>      |                      |                     |                      |
| -Staff receivables           | 4,466                | -                   | 4,466                |
| -Sundry receivables          | 18,500               | -                   | 18,500               |
| -Bank and cash balances      | <u>12,602</u>        | <u>-</u>            | <u>12,602</u>        |
|                              | <b><u>35,568</u></b> | <b><u>-</u></b>     | <b><u>35,568</u></b> |

Patents and Companies Registration Agency  
 Directors' Report  
 For the year ended 31<sup>st</sup> December 2019

## Notes (continued)

### 15. Related Party Transactions

In the context of the Agency, related party transactions include any transactions made by any of the following:

- (a) The Government of the Republic of Zambia
- (b) The Board of Directors and Key management of the Agency

The following transactions were carried out with related parties:

|   | <b>2019</b><br><b>K'000</b> | <b>2018</b><br><b>K'000</b> |
|---|-----------------------------|-----------------------------|
| <b>(i) Grant income from GRZ</b>                  |                             |                             |
| Funding   | 63,295                      | 56,000                      |
|   | <b>63,295</b>               | <b>56,000</b>               |
| <b>(ii) Key management compensation</b>           |                             |                             |
| Salaries and other short-term employment benefits | 12,503                      | 10,405                      |
| Defined contribution pension schemes              | 450                         | 442                         |
|   | <b>12,953</b>               | <b>10,847</b>               |
| <b>(iii) Directors' remuneration</b>              |                             |                             |
| Fees for services as a director                   | 854                         | 610                         |
|   | <b>854</b>                  | <b>610</b>                  |
| <b>(iv) Loans to key management personnel</b>     |                             |                             |
| At the start of year                              | 1,245                       | 2,054                       |
| Loans advanced                                    | 370                         | 350                         |
| Loans (repaid)                                    | (1,283)                     | (1,159)                     |
| At the end of year                                | <b>332</b>                  | <b>1,245</b>                |

Patents and Companies Registration Agency  
Directors' Report  
For the year ended 31<sup>st</sup> December 2019

---

## **Notes (continued)**

### **16. Contingent Liabilities**

There were no contingent liabilities as at the period-end (2018: Nil)

### **17. Events Subsequent to balance sheet date**

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

### **18. Comparative Figures**

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

Patents and Companies Registration Agency  
 Directors' Report  
 For the year ended 31<sup>st</sup> December 2019

### Detailed operating statement

|  | <b>2019</b><br><b>K'000</b> | <b>2018</b><br><b>K'000</b> |
|--|-----------------------------|-----------------------------|
| <b>Revenue</b>   |                             |                             |
| Grants   | 63,295                      | 56,000                      |
| Other income   | <u>4,431</u>                | <u>2,478</u>                |
| Operating income                                       | <u>67,726</u>               | <u>58,478</u>               |
| <b>Expenditure</b>                                     |                             |                             |
| Information provision and dissemination                | 355                         | 480                         |
| International meetings and conferences                 | 309                         | 599                         |
| Transport management                                   | 653                         | 875                         |
| Asset management                                       | 5,258                       | 6,821                       |
| Events   | 232                         | 421                         |
| Corporate social responsibility                        | 33                          | 6                           |
| Contributions and subscriptions                        | 253                         | 190                         |
| Capacity building                                      | 395                         | 427                         |
| Budget preparation                                     | 124                         | 65                          |
| MSME development                                       | 128                         | 64                          |
| Law reform   | 231                         | 241                         |
| Health management                                      | 1,145                       | 1,039                       |
| Cross cutting issues                                   | 184                         | 290                         |
| Personnel emoluments                                   | 50,781                      | 50,144                      |
| Monitoring, compliance and awareness                   | 344                         | 413                         |
| Financial management and accounting                    | 423                         | 155                         |
| Board administration                                   | 854                         | 610                         |
| Human resource management                              | 116                         | 208                         |
| General administration                                 | 2,540                       | 2,621                       |
| Information and communication technology<br>management | 385                         | 336                         |
| Internet and data links                                | 1,184                       | 1,252                       |
| Impairment   | 9,333                       | 4,494                       |
| Project expenses                                       | <u>1,867</u>                | <u>-</u>                    |
| <b>Deficit before tax</b>                              | <u><b>(9,401)</b></u>       | <u><b>(13,273)</b></u>      |

----- 000 -----

## PACRA OFFICES

### HEAD OFFICE

Plot No. 8471, PACRA House,  
Haile Selassie Avenue, Longacres,  
P.O. Box 32020, LUSAKA  
Tel: (+260) 211 255127/255151  
Fax: (+260) 211 255426  
Email: pro@pacra.org.zm

### LUSAKA ONE STOP SHOP

Kwacha House Annex,  
Ground Floor  
Cairo Road, LUSAKA  
Tel: (+260)  
Email: pacralusakaoss@pacra.org.zm

### COPPERBELT REGIONAL OFFICE

Kitwe One Stop Shop  
First Floor West Wing, Nchanga House  
Corner Enos Chomba Road and President Avenue, KITWE  
Tel: (+260) 02-221570  
Fax: (+260) 02-221580  
Email: pacrakitwe@pacra.org.zm

### SOUTHERN PROVINCE REGIONAL OFFICE

One-Stop-Shop Building (Tourism Centre)  
Next to Livingstone Museum,  
LIVINGSTONE  
Tel: (+260) 213-324236  
Fax: (+260) 213-324228  
Email: pacralivingstone@pacra.org.zm

### EASTERN PROVINCE REGIONAL OFFICE

Second Floor Natsave/ZESCO building,  
Behind ZANACO branch,  
Off Pererenyatwa Road, CHIPATA  
Tel: (+260) 06-222274  
Fax: (+260) 06-222275  
Email: pacrachipata@pacra.org.zm

### WESTERN PROVINCE REGIONAL OFFICE

Plot No. 304, Lusaka Road,  
Directly Opposite Catholic Diocese Administrative Offices,  
MONGU  
TEL: (+260) 07-221940 or 221549  
Email: pacramongu@pacra.org.zm

### NORTHERN PROVINCE OFFICE

Plot No. 5, Mubanga Chipoya road,  
Town Centre, CEEC Premises, KASAMA  
Tel: (+260) 04-221292  
Fax: (+260) 04-221241  
Email: pacrakasama@pacra.org.zm

### NORTH-WESTERN REGIONAL OFFICE

NAPSA Building, Second Floor, Room 26  
Plot No. 240,  
Independence Avenue, SOLWEZI  
Tel: (+260) 08- 821743  
Email: pacrasolwezi@pacra.org.zm

### CHOMA OFFICE REGIONAL OFFICE

Butala House, First Floor, Room 116  
ZSIC Building, CHOMA  
Tel: (+260) 213-221440  
Email: pacrachoma@pacra.org.zm

### NDOLA OFFICE REGIONAL OFFICE

Ground Floor, Mpendwa House,  
President Avenue, NDOLA  
Tel: (+260) 02-611225,  
Fax: (+260) 02-611226  
Email: pacrandola@pacra.org.zm

### CENTRAL PROVINCE REGIONAL OFFICE

Ground Floor, ZSIC House, KABWE  
Tel: (+260) 215 221 042  
Email: pacrakabwe@pacra.org.zm

### MUCHINGA PROVINCE REGIONAL OFFICE

Plot No. 888 Room 4,  
Nkakula Street, Town Centre, CHINSALI  
Tel: (+260) 04-565090  
Email: pacramuchinga@pacra.org.zm

### LUAPULA PROVINCE REGIONAL OFFICE

NAPSA Building, First Floor,  
Room 2201, Provident House  
Kawambwa Road, MANSA  
Tel: (+260) 212- 821762  
Email: pacramansa@pacra.org.zm

## ELECTRONIC COMMUNICATION PLATFORMS

 pro@pacra.org.zm

 <http://www.pacra.org.zm/>

 pacra\_zambia

 +260 978 962 113

 <http://www.twitter.com/pacrazambia>

 [http://www.facebook.com/pacrazambia:](http://www.facebook.com/pacrazambia)

