



**ZiCA**

Competence, Integrity and Virtue

**Zambia Institute of Chartered Accountants**

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# **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019**

# PRESENTATION OUTLINE

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- INCOME
- EXPENDITURE
- SURPLUS
- FINANCIAL POSITION EXTRACTS
- QUESTION & ANSWER

Highlights of the ZICA 2019 Financial Statements 17/10/2020

# HIGHLIGHTS

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- The key financial highlights below are based on the audited financial statements for the period ended 31December 2019

Highlights of the ZICA 2019 Financial Statements 17/10/2020

# INCOME

- The income for the year was ZMW48.3 million as compared to ZMW45.3 million earned in 2018 representing an increase of 7 percent.
- The growth in income was mainly attributed to;
  - Increase in fees for members and student subscription
  - Growth in the numbers of members and students renewing their subscriptions

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# EXPENDITURE

- The expenditure incurred during the year was ZMW44.3million against ZMW41.0million incurred in 2018 representing an increase of 8 percent.
- The increase was mainly attributed to the following:
  - Members of staff were awarded an average of 3 percent increment in salaries as part of the cost of living adjustment and 5 percent housing allowance was introduced in line with the employment code Act.
  - The adoption of IFRS 16 resulted in an increase of ZMW0.306m on the finance cost.

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# EXPENDITURE CONT'D

- Seminars and workshop costs increased by 9 percent mainly due to costs related to hire of venues and food at the hotels.
- Subscriptions increased due to upward revisions of subscriptions for PAFA, CAW and IFAC.
- Local travel increased by ZMW0.220 million due to stakeholder engagements conducted in the sensitization of stakeholders on the ZICA qualifications and membership requirements.
- Annual General Meeting (AGM) expenses increased by ZMW0.469 million. The increase was as a result of the extra give-aways that were bought for the AGM.

# SURPLUS

- The surplus for the year was ZMW3.9 million compared to ZMW4.3 million recorded in 2018 representing a decrease of 9 percent.
- The decrease was mainly attributed to the following;
  - Reduced income under the sundry income category in respect of hire of hall, annual ball, accreditation fees, ZICA memorabilia etc.
  - Increased costs in respect of finance costs, salary increment and introduction of housing allowance , amortization of development costs and other operating expenses.

# FINANCIAL POSITION EXTRACTS

## Property, Plant and Equipment

The property, plant and equipment was ZMW14.2m compared to ZMW34.0m in 2018. The reduction in PPE relates to the transfer of the leased motor vehicle and land amounting to ZMW 36.6m to the right of use category in line with IFRS 16 leases.

## Investment Property under development

- The investment property under development of ZMW23.6m (2018:ZMW20.5m) comprised the following;
  - Year to date expenditure on the proposed multi-use facility at the land adjacent to the Accountants Park along Thabo Mbeki Road-ZMW 6.1

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# FINANCIAL POSITION EXTRACTS CONT'D

- Purchase costs, including revaluation of hundred hectares of land on lot no. 48 and 60 in Livingstone- ZMW 17.4m

The increase in investment property under development was mainly attributed to the change in fair value.

## Equity Investments

- The reported decrease in equity investments was as a result of the reduction in the market value of shares held by the Institute . The equity investments reduced by ZMW 0.322m

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# FINANCIAL POSITION EXTRACTS CONT'D

## Intangible Assets

The Intangible assets comprise the Development costs and software costs;

- The development costs relate to expenditure on the CA Zambia qualification, Diploma in Accountancy and Public Sector Financial Management qualifications for syllabi development and review – ZMW 8.5m
- The Software costs relate to the iMIS membership database software which is now fully operational-ZMW 0.973m

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# FINANCIAL POSITION EXTRACTS CONT'D

## Right of Use Assets

The Right of use Assets increased by ZMW 36.6m as the leased motor vehicle including land and leased properties were transferred and recognised in the Right of Use Asset category.

## Revaluation Reserve

The Revaluation Reserve increased by ZMW17.4m as a result of the revaluation gains from the Property, Plant and Equipment during the year.

# FINANCIAL POSITION EXTRACTS CONT'D

## Lease Liabilities

The increase in lease liabilities of ZMW2.5m was due to the recognition of lease liabilities related to land and leased properties as a result of IFRS 16 adoption.

## Deferred income

- The decrease of ZMW1.8m was due to the amortisation of the capital grants. The grants were received from GRZ for the construction of the Institute's Head Office and the World Bank for the development of the CA Zambia programme.

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# FINANCIAL POSITION EXTRACTS CONT'D

## Other Payables

- The accruals of ZMW2.4m mainly comprised the 2019 examination expenses ZMW1.2m, Subscription for the Management Information System ZMW0.596m and other payments.
- The sundry creditors of ZMW2.3m mainly comprised outstanding fees payable to the Architects ZMW1.029m and the payments to BPP Publishing Media of K1.10m

## Contract Liabilities

The increase in contract liabilities was a result of members paying their subscriptions for 2020 in November and December 2020. The Institute received more subscriptions in advance in 2019 as compared to 2018.

# QUESTION AND ANSWER SESSION

