ZiCA
Competence, Integrity and Virtue
Zambia Institute of Chartered Accountants

2023 ANNUAL REPORT

Our mission is to regulate and promote excellence in the accountancy profession, championing the highest standards in education and ethics, shaping a future where professionals contribute significantly to Zambia's economic prosperity and global standing.

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OVERVIEW

The Zambia Institute of Chartered Accountants (ZICA, referred to as the "Institute") is the regulatory body of Accountants in Zambia. ZICA is established under the Accountants Act Number 13 of 2008. The principal activities are the regulation of the accountancy profession as well as the education and training of accountants in Zambia.

OUR VISION

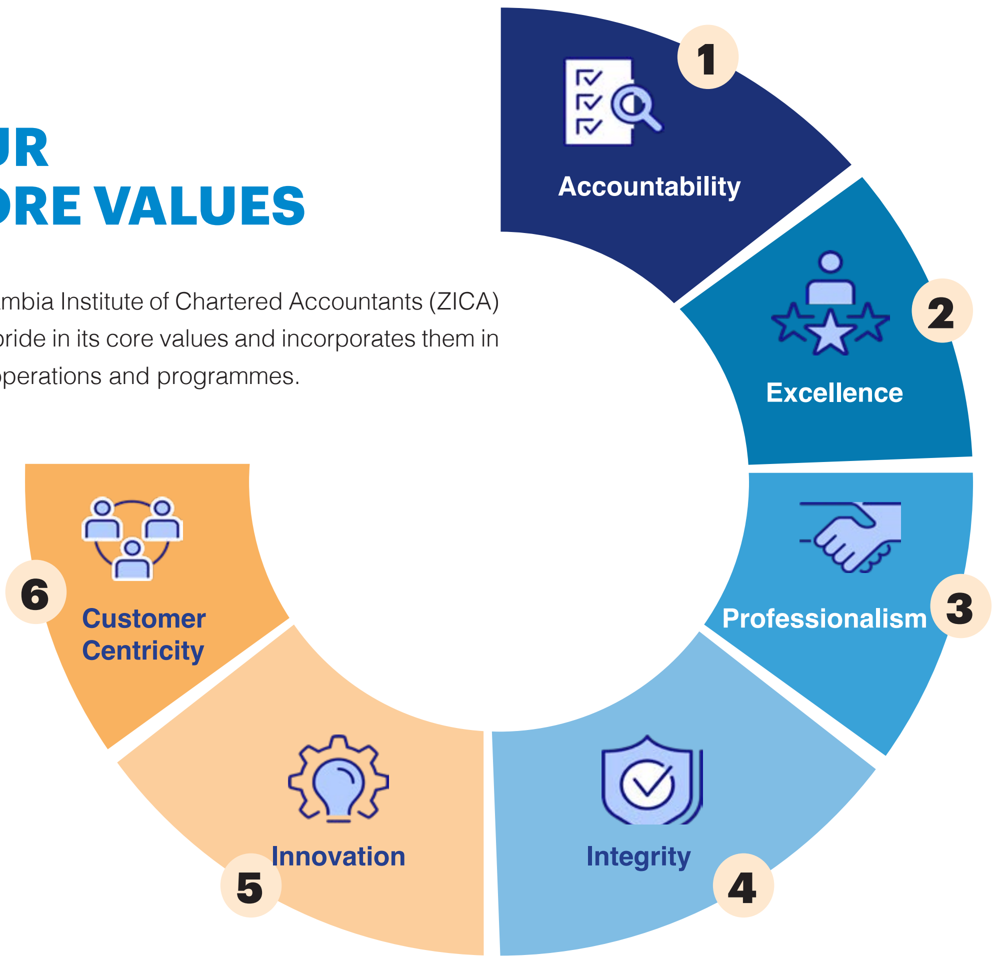
A reputable leader in developing competent and ethical finance professionals.

OUR MISSION

To regulate and promote excellence in the accountancy profession, championing the highest standards in education and ethics, shaping a future where professionals contribute significantly to Zambia's economic prosperity and global standing.

OUR CORE VALUES

The Zambia Institute of Chartered Accountants (ZICA) takes pride in its core values and incorporates them in all its operations and programmes.



OUR MANDATE

The Institute is a self-regulated membership body established to regulate the accountancy profession in Zambia.

REGULATION
Regulation of the accountancy profession in Zambia

EDUCATE AND TRAIN
Regulation of the education and training of Accountants and registration of students

SETTING STANDARDS
Setting ethical, auditing and accounting standards

PROTECT PUBLIC INTEREST
Investigation of disclosures made in public interest

SERVICES WE OFFER

REGULATORY SERVICES

The Institute's primary mandate is to promote the accountancy profession, through the regulation of accountancy education and practice in Zambia. In the regulation of the profession, the Institute provides a range of services.

Compliance Monitoring and Enforcement

The Institute ensures members comply with relevant professional standards. This is done partly through audit monitoring reviews for all audit firms. We also carry out reviews of members' compliance with Continuous Professional Development requirements and enforce sanctions to members failing to comply with CPD requirements.

Disciplining Erring Members

The Institute undertakes investigations on complaints regarding professional misconduct by its members. The powers to discipline members of ZICA are vested in the Disciplinary Committee established under the Accountants Act No. 13 of 2008. To enhance the independence of the Disciplinary Committee, the Accountants Act requires that the Chairperson and Vice Chairperson be senior legal practitioners with more than 15 years of experience.

Ethical, Auditing and Accounting Standards

ZICA participates in the standard setting process by submitting comment letters on exposure drafts and discussion papers to various international standard-setting bodies.

The Institute also develops application guidelines to make specific standards comply with local business conditions and statutory requirements. Further, the Institute has the following avenues for providing professional standards implementation support to members:

i. Technical workshops
ii. Issuance of pronouncements
iii. Technical updates in the Accountant Journal
iv. Technical help desk

Registering and monitoring all Accountants working in Zambia

The Accountants Act No. 13 of 2008 requires all accountants working in Zambia to register with the Institute. The Institute conducts registration of members and monitors their compliance with the professional code of conduct. Further, the Institute carries out employer awareness and inspections to ensure they employ only duly registered accountants.

Competence Practice Examinations

The Institute conducts Competence Practice Examinations (CPE) for members who intend to obtain practicing certificates (Audit or Non – Audit) in compliance with section 19 of the Accountants Act No. 13 of 2008.

MEMBERSHIP SERVICES

Continuous Professional Development

Continuous Professional Development (CPD) is the continuous maintenance, development and enhancement of the professional and personal knowledge and skills, which members require throughout their working lives. It is important that members remain competent and develop new skills to remain effective in their roles and careers. It is in this regard that the Institute offers various CPD activities to members, among them Technical Update Workshops, Accountants Fora, Annual Business Conference and Pre-AGM Workshop.

Developing and Promoting Practice Standards

In line with the Accountants Act No. 13 of 2008, the Institute is conferred with the mandate of standard setting. Therefore, it develops, adopts and promotes relevant practice standards. In line with this mandate, the Institute issues accounting and auditing pronouncements to guide members on the practice of the profession.

Provision of Technical Advice to Members

The Institute plays an instrumental role in the research and development of accounting and auditing standards in Zambia. The Institute further provides specialist advice on a wide range of topics to members including ethical, technical and taxation matters. We also provide Government and other stakeholders with technical assistance in whichever areas that might require the application and review of Accountancy Practice Standards.

Protection of Public Interest

The Institute maintains appropriate practice standards that are consistent with the principle of self-regulation and protection of public interest among members.

EDUCATION AND TRAINING SERVICES

Registration of Students

The Institute registers all students studying or intending to become Accountants in Zambia as stipulated in the Accountants Act No. 13 of 2008. As a legal requirement, registration of students ensures that the students are introduced to ethical requirements of the accountancy profession at an early stage.

Approval of Tuition Providers

In fulfilment of its mandate, the Institute approves tuition providers intending to offer tuition to students pursuing the ZICA programmes. The objective of approval is to ensure that tuition providers meet the minimum training standards as these have an impact on the quality of tuition that is offered to students at the approved institutions.

ZICA President, Mrs. Yande Siame Mwenye during the launch of the 2024-2028 Strategic Plan

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OPERATIONAL HIGHLIGHTS

The year 2023 showcased ZICA's resilience and adaptability amidst global economic challenges. The Institute made significant contributions to policy development, public interest legislation, and maintained its commitment to excellence and ethical standards in the accountancy profession

ZICA PRESIDENT'S REPORT

I am pleased to present to you the Zambia Institute of Chartered Accountants (ZICA) Annual Report for the financial year ended 31st December 2023. As we reflect on the past years' performance, I am filled with a profound sense of pride in our collective achievements and the resilience we have shown in the face of challenges. The year 2023 was a testament to the strength and adaptability of our profession, as we navigated economic complexities and embraced opportunities for growth and innovation. Our commitment to excellence and ethical standards has further solidified the trust placed in us by the public and our stakeholders. Let us continue to uphold these values as we advance the accountancy profession in Zambia and contribute to the nation's prosperity.

During the period under review, the Zambia Institute of Chartered Accountants (ZICA) made significant strides in policy development and advisory roles. Notably, the seventh Republican President of Zambia Mr. Hakainde Hichilema graced the 38th ZICA AGM held in Livingstone on 9th August 2023 for the first time in the history of the Institute. ZICA's contributions to matters of public interest through comments on various legislative bills and proposals for tax and non-tax measures were pivotal in promoting economic stability and growth and were noted by the President. These achievements underscore ZICA's commitment to enhancing accountability, transparency, and sustainable economic development in Zambia. Let me take this opportunity to inform you that the 2019-2023 strategic plan came to an end on 31st December 2023, and we are sincerely grateful to all our stakeholders for the support rendered in actualising the set milestones over the last 5 years.

The Institute launched its strategic plan for 2024-2028, which is a comprehensive blueprint aimed at enhancing the accountancy profession in Zambia. The plan outlines six strategic pillars that are crucial for the Institute's vision of becoming a reputable leader in developing competent and ethical finance professionals. Stakeholders are encouraged to support this strategic plan as it promises to contribute significantly to Zambia's economic prosperity and global standing.

The plan's success hinges on collaborative efforts, and stakeholders' engagement is vital in shaping a future where professionals can thrive and make a meaningful impact. The full strategic plan can be accessed on the ZICA website for a detailed understanding of the initiatives and objectives that ZICA has set forth. Over the next five (5) years, we are dedicated to achieving a set of ambitious objectives that will not only enhance the value of our profession but also contribute significantly to the economic development of our nation.

Mrs. Yande Siame Mwenye

Let me take this opportunity to extend our deepest gratitude to the members of the Zambia Institute of Chartered Accountants (ZICA). Your unwavering support and commitment have been the cornerstone of our success. Your expertise and dedication not only strengthen our profession but also enhance the financial integrity within our community. Thank you for your valuable contributions and for upholding the standards of excellence in our field.

Key Performance Indicators

Performance of the Global Economy

In 2023, the global economy slowed down to 2.9% from the 3.5% growth recorded in 2022. This was attributed to the sustained tightening of monetary policy in advanced economies, adverse effects of climate change, and the impact of the prolonged Russia-Ukraine war.

The effects of the decline in the global economy were evidenced by the downward trend of commodity prices, e.g., Copper prices declined to an average of US $8,589/mt from US $9,084 in 2022; and Crude oil prices reduced to an average of US $82.8 per barrel from US $104.6.

i. Region

Sub-Saharan Africa (SSA): Growth declined to 3.3% in 2023 (2022: 3.9%) and projected to pick up to 4.2% in 2024. Economies in this part of the world are focusing on achieving fiscal sustainability through higher revenues and improved debt management.

ii. Performance of the National Economy

The Zambian economy continued to grow for the third - year running. By the end of this year, GDP grew to about 4.0 percent. To contextualise this, growth in (Sub Saharan Africa (SSA) was at 3.3 percent in 2023 and projected at 4.2 percent in 2024. This shows that by benchmarking our growth rates with SSA we are on the right trajectory. The slowdown in growth in 2023 is mainly attributed to lower output in agriculture due to the late onset of rain, drought, and flash floods in some parts of the country. The construction sector also recorded a weak performance.

Performance of the Institute

Financial Performance

During the year under review, the Institute recorded a total income of ZMW 75.25 million, a total expenditure for the year of ZMW 73.25 million and the surplus for the year was ZMW 2.00 million.

Audit Monitoring Inspections

The Institute conducted 25 audit-monitoring inspections. Three inspections were for big firms, while 22 were for Small to Medium Practitioners. Out of 25 inspections, 14 had satisfactory outcomes while 11 had unsatisfactory outcomes.

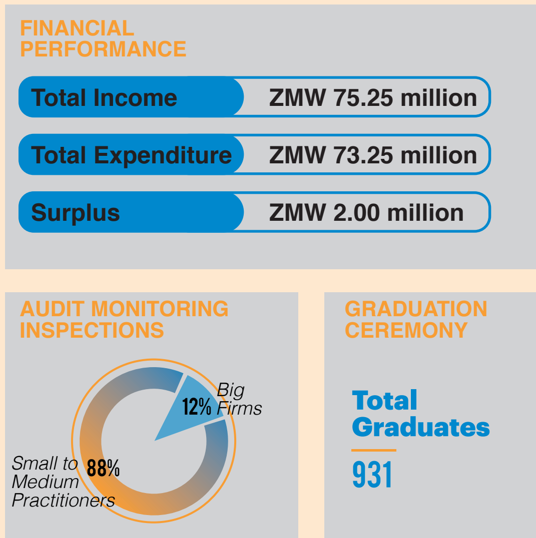
Developing and Promoting Practice Standards

As part of our mandate to develop, promote and enforce internationally comparable practice accounting standards in Zambia, the Institute issued a revised guidance on the applicability of accrual basis International Public Sector Accounting Standards (IPSAS) in Zambia.

Graduation Ceremony

The 17th Graduation Ceremony was successfully held on 25th August 2023 at the New Government Complex under the theme: "Shaping the Future of Accountancy as Guardians of Financial Integrity", where 931 candidates graduated.

Long Term Sustainability



(i) Development of Lot No.19921/M Livingstone

In our quest to find a strategic partner, several meetings were held with prospective financiers and operators in the development of the Shungu Namutitima International Conference Centre (SNICC).

One (1) Memorandum of Understanding was signed with one strategic partner. The SNICC master plan was shared and refined with the input of both Parties. The development comprises the conference centre which will have 3,000 sitting capacity main auditorium, banquet hall for 3,000 people with offices, Presidential Lounge and 350 seat auditorium. The three star hotel will comprise 300 standard rooms.

The engagements with the strategic partner have continued and the Institute has received significant support from the Government of the Republic of Zambia.

(ii) Development of the office complex on Plot 2374/a Thabo Mbeki Road

The Institute continued to collaborate with Time Projects Ltd, the Consultants on the Project and Equity Capital Resources (ECR) the Fund Manager, in the development of the office complex at the Accountants Park.

During the year under review, Council resolved to change the development concept for the Accountants Park by developing smaller units for lease. Progress has been made and all things being equal, ground breaking will be held during the fourth quarter of 2024.

Stakeholder Engagements

Government and Quasi Government Institutions

The Institute held strategic meetings with key stakeholders and discussed matters affecting the profession and the country at large. Engagements were held with the Minister of Finance and National Planning, Minister of Tourism and Arts, Secretary to the Treasury, Bank of Zambia Governor, Public Service Management Division, Local Government Commission, Accountant General, Auditor General, Financial Intelligence Centre, National Prosecutions Authority, Zambia Qualifications Authority and Higher Education Authority to mention a few.

Presidents Media Briefings

During the period under review, the Institute held three (3) Media Briefings in line with its statutory mandate to advise the Government of Zambia on matters relating to the economic development of the Country. The Institute made comments on : Debt restructuring, Exchange rate performance, Constituency Development Fund (CDF), IFRS S1/S2 among others.

Parliamentary Business

The Institute contributed to Tax Policy and Economic Development through budget submissions, comments on Tax Amendment Bills and position papers on various national policies and other topical issues. During the year under review, submissions were made on the following:

- Estimates of Revenue and Expenditure for the Financial Year ending 31st December 2024
- Consideration of the 2024 Annual Borrowing Plan.
- Consideration of the Walvis Bay – Ndola Lubumbashi Development Corridor and the Lobito Corridor Transit Transportation Facilitation Agreement.
- Consideration of the Customs and Excise (amendment) bill no. 25 of 2023; the Zambia Revenue Authority (amendment) bill no. 26 of 2023; the Value Added Tax (amendment) bill no.27 of 2023; Income Tax (amendment) bill no. 29 of 2023; and the Mobile Money Transactions Levy bill no. 31 of 2023
- Consideration of the Examinations Council of Zambia bill no. 3 of 2023

Tenure of Council

The tenure of office of the Council member Ms. Musonda Chisanga has come to an end after serving diligently on Council. We would like to extend our appreciation for her significant contribution to the service of the Institute.

Acknowledgements

I would like to extend my deepest gratitude to the Council, dedicated former ZICA presidents, esteemed members, Management and Staff of ZICA for their unwavering support throughout the financial year 2023. Your collective efforts have been instrumental in steering ZICA towards its goals, ensuring financial stability and growth. We acknowledge and appreciate the commitment and guidance that has shaped the Institute's success and look forward to continued collaboration in the years to come.

Sincerely,

Yande Siame Mwenye
PRESIDENT

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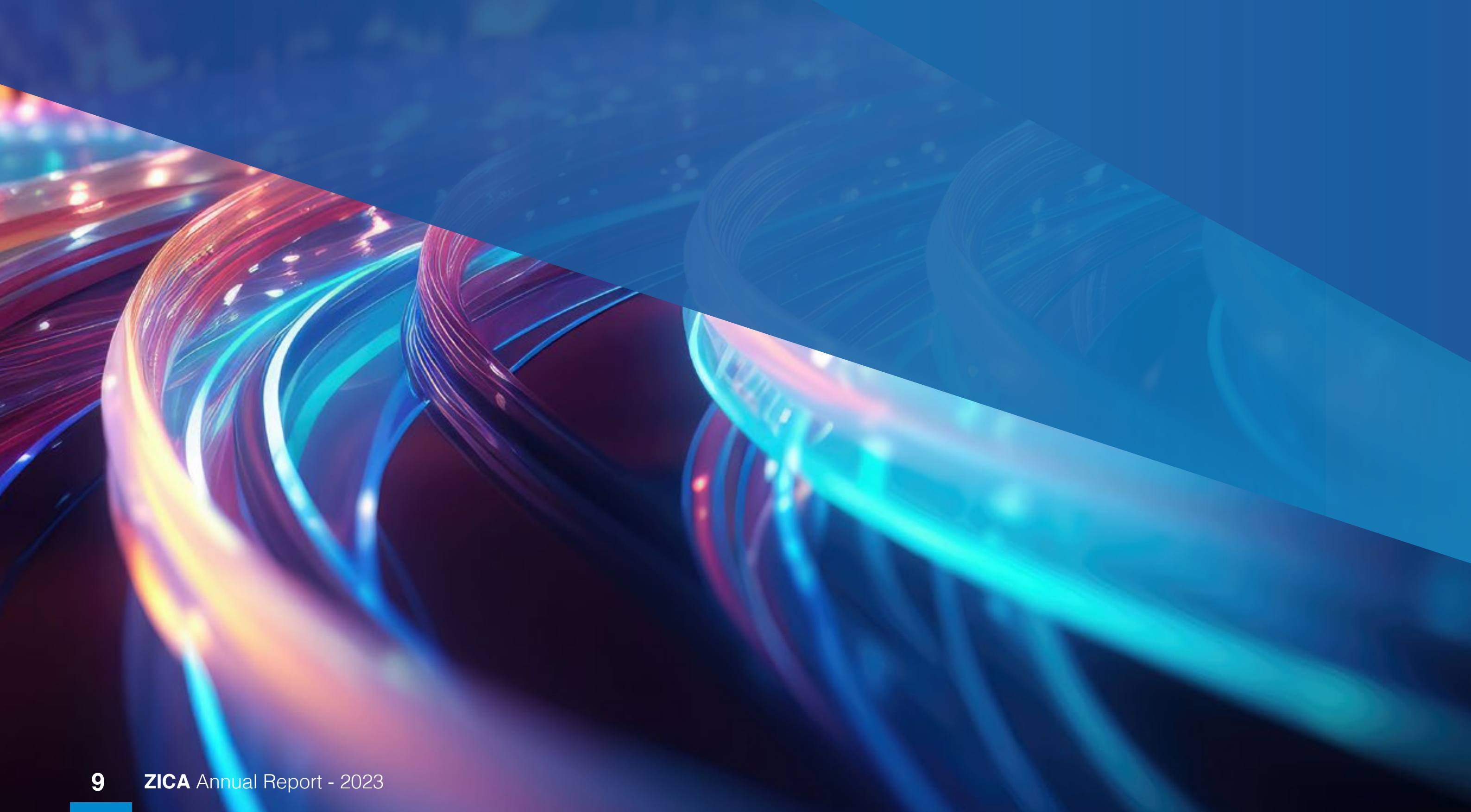
STRATEGY & PERFORMANCE

ZICA's strategic initiatives in 2023 focused on enhancing the regulatory framework, advancing professional education, and expanding the influence of the accountancy profession in Zambia. These efforts have reinforced ZICA's role in driving economic growth and sustainability



CHIEF EXECUTIVE OFFICER'S REPORT

It is my pleasure to present the annual report of the Zambia Institute of Chartered Accountants (ZICA) for the year ended 31st December 2023. Today we reflect on the milestones we have achieved in the 2023 financial year. Our collective efforts have steered the Zambia Institute of Chartered Accountants (ZICA) towards a trajectory of growth and excellence. We have successfully navigated the challenges of the global economy, demonstrating resilience and adaptability in our operations. Notable amongst our achievements is the strengthening the regulatory environment through prosecution of persons holding out, growth in member numbers and establishment of the Contact Center.

The Institute expanded its outreach, fostering partnerships that have broadened its influence within the financial sector. Our advocacy for transparent and accountable financial practices has resonated across industries, cementing ZICA's role as a pillar of integrity in the economic landscape of Zambia. The Institute received a call for members to be placed on various Boards and Committees of Institutions in both the public and private sectors and we are proud to cement the financial presence of ZICA in these Institutions.

As part of upskilling our members, the Institute spearheaded the birth and commencement of the Chartered Accountants (CA) Leadership Master Class in collaboration with the Institute of Chartered Accountants Zimbabwe (ICAZ).

We have made significant strides in enhancing the value of our certification, ensuring that our members are equipped with the latest industry knowledge and ethical standards. Our commitment to professional development has never been stronger, as evidenced by our robust Continuous Development Programme, which has seen remarkable participation from our members. As we look to the future, the Institute is resolved to building on these accomplishments, embracing innovation and inclusivity, to further elevate the prestige of our profession. The implementation of an Enterprise Resource Planning (ERP) will reshape the way we serve our customers, and we look forward to fruitful interactions with members through our digital platforms. Together, we will continue to uphold the principles that define us, driving progress for our members and the communities we serve.

As we close the chapter on the 2023 financial year, we take a moment to reflect on the invaluable support and dedication you have shown. Your unwavering commitment and expert guidance have been pivotal in navigating the complexities of this year's financial landscape. Your contributions have not only enhanced our professional community but have also laid a strong foundation for the future. We are deeply grateful for your tireless efforts and the collective wisdom you bring to the Institute. Thank you for your continued support and for being an integral part of our journey towards excellence.

Sincerely,
Anthony Bwembya
Chief Executive Officer

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FINANCIAL & OPERATIONAL REVIEW

The financial review highlights ZICA's income, expenditure, and surplus for 2023. Operationally, the Institute achieved key milestones in compliance monitoring, membership services, and the continuous professional development of its members.

HIGHLIGHTS

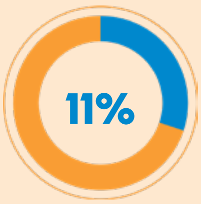
ZMW 75.25M
TOTAL INCOME

ZMW 73.25M
TOTAL EXPENDITURE

ZMW 2.00M
SURPLUS

Compared to 2022 actual income

Compared to 2022 actual expenditure



Compared to 2022 actual surplus

FINANCIAL HIGHLIGHTS

During the year under review, the Institute recorded a total income of ZMW 75.25 million. The total expenditure for the year was ZMW 73.25 million. The surplus for the year was ZMW 2.00 million.

Income

The Total income for the year was ZMW 75.25 million against a budget of ZMW 66.6 million. The income for the year was higher by 30 percent when compared to 2022 actual income. The increase was mainly attributed to the high number of members who paid subscription fees , students who paid examination fees and share value gains.

Expenditure

The total expenditure incurred for the year was ZMW 73.25 million against a budget of ZMW 64.4. The expenditure was higher by 30 percent when compared to 2022 actual expenditure. The increase in expenditure was mainly attributed to the depreciation of the kwacha which continued to impact on the overall cost of goods and services.

Surplus

The Institute achieved a surplus of ZMW 2.00 million against a budget of ZMW 2.20 million. The surplus was lower than the budget mainly due to the high cost of goods and services compounded by the depreciation of the kwacha. However, the surplus was higher by 11 percent when compared to the 2022 actual surplus.

HUMAN RESOURCE HIGHLIGHTS

During the year under review, there were no separations recorded while the new employees recruited were the Property Maintenance Assistant, Mr Benjamin Makasa, the Practice Review Officer, Mr Raphael Sakala, the Accounts Assistant, Ms Hellen Lungu and the Compliance Officer Ms. Faith Limbambala Chewe.

Mr. Benjamin Makasa
Property Maintenance Assistant

Mr. Raphael Sakala
Practice Review Officer

Ms. Hellen Lungu
Accounts Assistant

Ms. Faith L. Chewe
Compliance Officer

STANDARDS AND REGULATIONS HIGHLIGHTS

Ethical Matters

During the annual review period, the Institute observed a concerning rise in cases of professional misconduct and holding out. In response, proactive measures were taken to ensure strict compliance with the Accountants Act. This includes robustly investigating and pursuing allegations of misconduct. Further as part of our enforcement efforts, the Institute initiated legal proceedings against three individuals for alleged forgery and holding out.

These actions underscore our unwavering commitment to maintaining the integrity and credibility of the accounting profession. The Institute will continue to rigorously investigate and prosecute any violations of professional conduct as mandated by the Accountants Act.

Audit Monitoring Inspections

During the period under review, the Institute through the Practice Review Department conducted twenty-five (25) audit-monitoring inspections. Three (3) audit-monitoring inspections (AMI) were to the big firms and they attained satisfactory outcomes whereas twenty-two AMIs were to the Small to Medium Practitioners (SMPs). Out of the twenty-two (22), eleven attained satisfactory outcomes while the other eleven (11) got unsatisfactory outcomes.

Workshops and Forums

To ensure that the practitioners were kept abreast with the latest development in the profession, the Institute conducted the following activities:

1. ISA workshop which discussed the Common Deficiencies from Audit-Monitoring Reviews, ESG, Climate Change and Green Financing in the audit space. The other matters that were discussed during the ISA workshop were aspects of Remaining Ethical in the Wake of Economic Hardship.

2. The Institute held one (1) Practitioner's Forum which looked at matters to do with the Mental Health Issues in busy audit work space, Understanding the Importance of Beneficial Ownership in complex structures of companies in the Audit Space and Updates on IFRSs in particular IFRS 9, 16 and 17.

A two weeks Intensive Revision Course was held from 16 October to 30 October 2023 where candidates for the Competence Practice Examinations (CPE) had a chance to interact with the examiners. Consequently, the Institute recorded 10 candidates for the Audit CPE and 14 for Non-Audit CPE and 7 passed the audit exams resulting in a 70% pass rate while 10 passed the non-audit which resulted in the 71% pass rate.

In December 2023, the Institute recorded 12 and 14 candidates in Audit and Non-Audit CPE respectively. Out of these, 9 passed the audit and 4 passed the non-audit resulting in 75% and 29% pass rate respectively.

Number of Audit and Non- Audit Practitioners for 2023 and 2022.

The number of practicing certificates for audit and non-audit held during the year are as indicated below:

	2023	2022	Variance
Audit	155	158	(3)
Non-Audit	47	43	4
Total	**202**	**201**	**1**

MEMBERSHIP AND CORPORATE SERVICES HIGHLIGHTS

Registration of Members

The number of registered members for the year ended 31st December 2023 was 8,430. The membership statistics for 2023 showed a remarkable improvement of members on the register by 542 over those of 2022. The number of retained members for the year ended 31st December 2023 was 7,669 representing a retention rate of 97 % of the 7,888 that had subscribed as at 31st December 2022.

Category	2022	2023	Variance
Fellow	1,625	1,763	138
Associate	955	876	(79)
Graduate	809	860	51
Licentiate	2,282	2,529	247
Technician	2,217	2,402	185
Total	**7,888**	**8,430**	**542**

Compliance Visits

The Institute carried out one hundred and fourty (140) compliance visits for 2023 in Lusaka, Copperbelt, Northwestern, Central, Luapula and Muchinga provinces. Compliance levels are still low and we implore employers and supervisors to ensure that all members working in Accounting roles are duly registered with the Institute. Further, all members must ensure that their annual subscription is paid every 1st January to remain compliant with the provisions of the Accountants Act of 2008.

Pre-Annual General Meeting Workshop

In the year under review, the 38th Annual General Meeting (AGM) and Pre-AGM workshop of the Zambia Institute of Chartered Accountants was held on 9th - 11th August 2023, at Avani Resort in Livingstone under the theme: "Accountability and Transparency - a Key Cornerstone for Economic Development". The Pre-AGM workshop was attended by 1,742 participants compared to 1, 416 participants who attended the event in the year 2022.

2024 National Budget Submissions

During the year under review, ZICA made a submission on the Tax and Non-Tax 2024 Budget proposals to the Ministry of Finance and National Planning on 28th April 2023. Further, the Institute took part in the stakeholder's engagement meeting organised by Ministry of Finance on the 2024 budget proposals on 2nd June 2023. The engagement meeting was attended by Ministry of Finance and National Planning, Ministry of Commerce, ZRA and Bank of Zambia attended the engangement meeting.

2024 National Budget Analysis Dinner

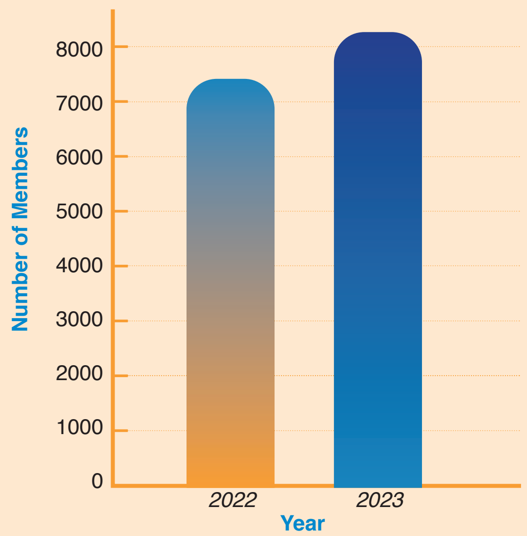
The Institute held the 2024 National Budget Analysis Dinner on 29th September 2023 at Government Complex in Lusaka with an attendance of 932 participants.

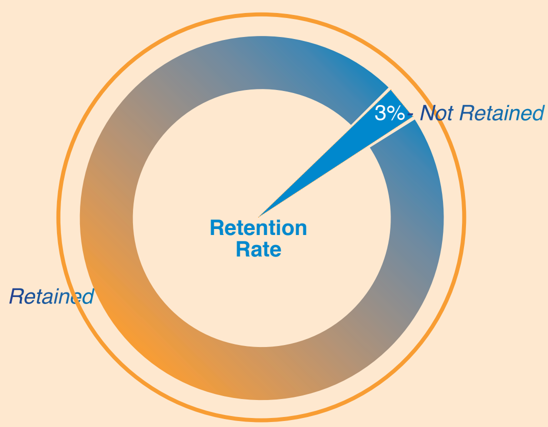
Annual Business Conference (ABC)

The Institute held the Annual Business Conference (ABC) on the 11th-13th October 2023 in Livingstone at Avani Victoria Falls Resort with an attendance of 507 participants.

Member Chapter formation

In 2023, two ZICA Chapters were formed in Luapula and Muchinga Provinces.





Continous Professional Development

Technical Advice and Guidance
The Institute continued to provide technical advice to members on various technical accounting matters affecting them. During the year under review, the Institute received and provided guidance to 12 technical queries from members.

TAX Update Workshop
During the year under review, two tax update workshops were held as scheduled in Lusaka at Mulungushi Intercontinental Conference Centre and Ndola at Protea Hotel. The workshops were aimed at updating members on the upcoming tax legislation and upskill their taxation knowhow to enable them to apply 2024 tax legislation correctly. The workshops were attended by a total of 602 participants.

IPSAS Workshop
The 2023 International Public Sector Accounting Standards (IPSAS) workshop was held on 30th and 31st March 2023 at Victoria Falls Resort in Livingstone. The workshop was attended by 472 participants. The event is intended to promote the implementation of accrual IPSAS in Zambia and update members in the public sector on the latest developments on IPSAS.

2023 IFRS Update Workshops
The Institute held two scheduled 2023 IFRS Updates workshops in Lusaka on 2nd - 3rd November 2023 at Intercontinental Hotel and 9th - 10th November 2023 at Protea Hotel in Ndola with a combined attendance of 217 participants.

Debt Management Training Workshop
The Institute held the Debt Management Training Workshop on 16th and 17th November 2023 in Lusaka at Radisson Blu Hotel in conjunction with Insight Partners in Lusaka with an attendance of 69 participants.

Chief Finance Officers Forum
The 2023 Chief Financial Officer's Workshop was held on Friday, 23rd June 2023 at Radisson Blue Hotel in Lusaka. The workshop had a total of 91 participants from various organisations.

Internal Auditors Conference
The 2023 Internal Auditors Training Workshop was held on 7th and 8th December 2023 at David Livingstone Safari Lodge in Livingstone. The workshop had a total of 109 participants from various organisations.

Marketing and Communication

Marketing of ZICA Professional Qualifications and Membership Requirements
The Institute advertised the ZICA Qualifications and Membership Requirements on all ZICA Social media pages (Facebook, LinkedIn and Twitter), Newspaper (Times of Zambia, Zambia Business Times and Daily Mail), Television (Prime TV and Diamond TV) and Radio (Beats FM, Radio Liseli, ZNBC Radio 4, Hot FM and Radio Phoenix). In addition to spot adverts, a 13 series radio programme was aired on Radio Phoenix whose main aim was to unpack the ZICA mandate particularly looking at the Qualifications and Membership requirements.

Secondary School visits

The Institute further carried out secondary school visits in five (5) provinces namely North-Western, Copperbelt, Western, Muchinga and Lusaka Province and a total of thirty-seven (37) schools where visited.

The main objective of the visits was to promote careers in Accountancy and sensitizing the grade 11 and 12 pupils on the CA Zambia professional qualification and the Diploma in Accountancy as programmes of choice. In addition to the school visits, meeting where held with members at the provincial Administration in Mongu and District Administration in Mpika to sensitise the members on practical training as well as get feedback. The Institute is resolved to see the creation of accountancy clubs in secondary schools.

University Presentations

The Institute continued to engage university students studying Bachelor of Accountancy and business-related programmes. Presentation where made to 4th Year Students at University of Zambia, ZCAS University and Mulungushi University. The presentation was on the importance of being student members and exemptions available for the CA Zambia programme. In addition to the presentation, the Institute participated in several graduation ceremonies (University of Lusaka, Cavendish, Rusangu and DMI St Eugene). The Institute awarded top graduating students in Bachelor of Accounting a Scholarship to study the advisory level of the CA Zambia Qualification.

Presentations at Partner Events and Exhibitions

In the period under review the Institute participated in several exhibitions to promote the ZICA Professional Qualifications and Membership Compliance. The Institute participated at the Zambia Institute of Human Resource Management Regional Summit and AGM and made a presentation to over 800 Human Resource Personnel. ZICA also participated in the ZANACO MSME Business Clinic, which was held to commemorate the United Nations Micro, Small and Medium-sized Enterprises (MSME) Day, the 95th Agriculture and Commercial Show and the 2023 annual Career Exhibition organised by the Ministry of Education.

Corporate Social Responsibility

During the period under review as part of Corporate Social Responsibility, the Institute donated ten (10) desks to Ng’ombe Community School and took part in the Zambia Institute of Human Resource Management (ZIHRM) fundraising golf tournament at Bonanza Golf Course to raise funds towards the sinking of a borehole at Muchinga Combined School in Mtendere Compound in Lusaka. The Institute also took part in another fundraising golf tournament to support the initiative by the Round Table Zambia initiative to construct an ablution block at the Nyumba Yanga Home of Girls School orphanage. The Institute also supported Mr Shadrick Lusambo a CA Zambia Advisory Professional in Accountancy graduate and author of the book entitled “How to start and grow your Business” for his book launch, in his book Mr Lusambo dedicated a chapter on how the CA Zambia Programme helped him develop and run his business.

> *“ZICA is dedicated to advancing the accountancy profession through robust marketing campaigns, comprehensive technical workshops, and active engagement with schools and universities.*

International Collaboration

The Institute continued to work closely with the Chartered Accountants Worldwide (CAW) through regular virtual meetings and the CEOs meeting took place on 26th February in New York at Fordham University. The Institute Sponsored Namatama Liswaniso (Top CA Zambia Performing Student under 35 years) to the OYW Summit that was held from 2nd to 5th October 2023 in Belfast Ireland. The delegate took part in several workshops and was profiled on various social media sites. Participation in the OYW Summit continues to provide an opportunity for the selected young leaders to be responsible for shaping the future of our world, to come together to confront the biggest challenges facing humanity.

Launch of Contact Center

The Institute launched the Contact Centre on 1st June 2023 in the bid to improve communication and customer satisfaction. Training was held for Contact Centre Agents and a total of fifteen (15) contact centre staff where trained. The contact centre is responsible for handling the Institute’s emails, phone calls and social media platforms. A short code 1982was created for all networks (standard rates apply). A customer satisfaction survey aimed at reviewing the performance of the contact centre conducted in December 2023 revealed that 81.5% of respondents were aware that ZICA had a Contact Centre, 93% were satisfied with the services being rendered and 84.8% found the contact centre staff helpful and knowledgeable. The Institute will continue to undertake interventions aimed at improving the service delivery to all our stakeholders.

EDUCATION AND TRAINING HIGHLIGHTS

Examinations

The Institute has continued to provide four (4) examination sittings in a year. The exams were sat in March, June, September, and December. Pass rates for CA Zambia, Diploma in Accountancy (DA), Diploma in Public Sector Financial Management (PSFM) and Diploma in Taxation are depicted in the table below:

	Pass Rates			
Programme	March	June	September	December
CA Zambia	39%	49.1%	46.9%	41.8%
DA	50.5%	55.4%	44%	45.7%
PSFM	N/A	100%	N/A	86.7%
Taxation	N/A	75.8%	N/A	62.9%

Practical Training

One hundred and sixty (160) CA Zambia trainees commenced the CA practical training programme bringing the total number of trainees to 476 as at 31st December 2023 after thirty-two (32) trainees were discharged from the training. Approved Employers where employees were discharged from included IABC Associates, ZESCO Limited, PricewaterHouse, the University of Zambia, Ministry of Finance and BDO Zambia. These are now Associate members of ZICA and brings the number to 100 CA Zambia designates as at 31 December 2023.

During the period under review, fourteen (14) MoUs were signed with cooperating partners bringing the accumulated number of Approved Employers to eighty-five (85). Ninety-nine (99) mentors were accredited to provide mentorship to trainees bringing the total number of mentors to four hundred and ninety (490).

Learning materials/support

During the period under review, ZICA continued to promote the sale of e-books and sold 1,592 copies. The e-books, designed to provide readers with high-quality, engaging and affordable digital content continues to be part of promoting access to learning materials anywhere anytime. Our e-books are compatible with most devices and can also be accessed off-line once purchased. The availability of e-books also increased the portability of books for students who may have to travel from place to place for work or other personal commitments. Physical copies of manuals and revision kits were also available. Additionally, ZICA produced examination Technique videos to assist learners in understanding how to tackle examination questions. The Institute also continued to provide access to examiners reports to improve confidence of students as they were preparing to sit examinations. Furthermore, the Institute held examination answering techniques meeting for the students.

Student Conference

The Institute held a virtual student conference on 28th July 2023 with a theme "The role of upcoming Accountants in leading Digital Growth" where over 300 students attended. The conference covered topics relevant in improving students' professional skills not taught during their studies e.g. how to excel in job interviews – do's and don'ts, balancing act – finding the right balance – study & life, mental and sexual reproductive health, role of upcoming accountants in leading digital growth etc.

Student Chapters

In achieving its primary mandate of promoting the accountancy profession and regulating the education of accountancy in Zambia, the Institute has continued forming student chapters in colleges and Universities. During the period under review, student chapters were launched at Kwame Nkrumah University, ZAMIM City Campus, Chalimbana University and NIPA.

This brought the total number of Student Chapters to eight (8) as below:

(i) ZICA - CBU Student Chapter
(ii) ZICA - UNZA Student Chapter
(iii) ZICA - Hone Student Chapter
(iv) ZICA - NIPA Student Chapter
(v) ZICA - Chalimbana University Student Chapter
(vi) ZICA - ZAMIM City Student Chapter
(vii) ZICA - Nkrumah University Student Chapter
(viii) ZICA - Northrise University Student Chapter

Student Registration

The cumulative number of students as at 31st December 2023 was 7,056 with 3,786 CA Zambia, 3,059 Diploma in Accountancy, 192 Diploma in Taxation and 19 Diploma in Public Sector Financial Management.

Mutual Recognition Agreements

1. Institute of Chartered Accountants of Zimbabwe (ICAZ)

ZICA signed an MoU with Institute of Chartered Accountants Zimbabwe (ICAZ) to offer the CA Leadership Masterclass for CA Zambia students and members to improve their soft skills as this was not offered in the CA qualification examinations. The first 5-week CA Leadership Masterclass commenced on 3rd November 2023 and ended on 1st December 2023. The Masterclass also featured 6 CEOs from various industries in Zambia.

2. RPA Canada – ZICA Scholarship

The Society of Professional Accountants of Canada (RPA Canada) and Zambia Institute of Chartered Accountants (ZiCA) had signed a Mutual Recognition Agreement (MRA) on May 17, 2022. In this agreement both organisations agreed to cooperate and collaborate in promoting the accounting designation. The agreement also stipulated that RPA Canada would offer scholarships to CA Zambia finalist students and CA designation holders to obtain the RPA designation. On 13th December 2023, the RPA held a virtual scholarship ceremony to unveil the winners of this scholarship.

PRACTICAL TRAINING

Total Trainees
476

Total Employers
85 (Approved Employers)

Total Mentors
490

STUDENT AFFAIRS

Student Registration
7,056 (Total Students)

Student Conference
300+ (Total Participants)

Student Chapters
8 (4 New Chapters Launched)

The following emerged as winners of the scholarship.

1. Precious Bhasera – CA Advisory Graduate
2. Ngosa Florence Mwansa – CA Advisory Graduate
3. Esnart Mbewe – CA Advisory student

Graduation Ceremony

The 17th Graduation Ceremony was successfully held on 25th August 2023 at the New Government Complex under the theme: "Shaping the Future of Accountancy as Guardians of Financial Integrity", where 931 candidates graduates.

Programme	Number of graduates
CA Certificate in Accountancy	203
CA Application Advanced Diploma	250
CA Advisory Professional in Accountancy	193
Diploma in Accountancy	219
Diploma in Public Sector Financial Management (PSFM)	6
Certificate in Taxation	13
Diploma in Taxation	9
CA Zambia Designation	38
TOTAL	**931**

Quality Assurance of Education Programmes

The Institute continued with its quality assurance programmes in the administration of examinations. Accreditation of tuition providers and examiners and updating of study materials to bring them in line with best practice. The quality assurance activities during the period under review included the following:

A. Institutional and Programmatic Accreditation

1. Tuition Providers

The Institute continued collaborations with tuition providers offering accountancy studies as a means of enhancing the quality of the accountancy graduates. Fourteen (14) tuition providers renewed their tuition provision in the ZICA qualifications while one new one was added to the list. The newly added tuition provider is Kabash Institute of Entrepreneurship Project Management & Consultants Ltd.

2. Qualification Exemption Accreditation

The Institute continued to strengthen partnerships with various Universities and colleges offering programmes in Accountancy. One (1) accountancy degree programme, Bachelor of Business Administration in Accounting and Finance from Chalimbana University was granted exemption accreditation to allow student graduates from the accredited programme to enrol for CA Zambia programme at CA Advisory level. The Bachelor of Accountancy developed by the Higher Education Authority as a standard for any higher education institution wanting to offer a degree in accountancy was also evaluated and approved by the Institute.

3. Examination Centres

The Institute currently has twenty (20) approved examination centres. Assessment and inspection of the centres was done for all centres which were due for renewal.

The Institute further, recorded eleven (11) examination techniques videos in subjects which had recorded lower pass rate in 2023 exam diet.

B. Review of Examination Question papers by External Reviewers

In line with the Institute's External Examiner policy, reviews were done for the following subjects in 2023:

1. CA2.1 – Financial Reporting
2. CA3.1 – Advanced Financial Reporting
3. CA3.2 – Advanced Audit and Assurance
4. CA3.5 – Advanced Management Accounting
5. CA3.6 – Advanced Financial Management

TUITIONS

Total Tuition Providers

14

+ 1 Provider in 2023

EXAMINATIONS

Total Approved Centres

20

C. Revision of Study Materials

The Institute continued with the annual update of study materials. During the year, consultants were engaged to update and review the manuals and revision kits for use by Taxation students studying the CA Zambia, Diploma in Accountancy and Diploma in Taxation qualifications to ensure that they are updated in accordance with the 2023 Amendment Act. The Taxation Manuals and Revision Kits were update using local technical experts and BPP Learning Media as the editor and typesetter.

D. Curriculum Review

1. Diploma in Taxation Curriculum Review

The Postgraduate Diploma in Taxation curriculum review was concluded by the consultant ZCAS and will be launched in 2024 after ZAQA accreditation and the study materials are developed. The first examinations are scheduled to be held in June 2025.

2. CA Zambia Curriculum Review

The CA Zambia qualification became due for review after clocking 5 years in existence. ICAEW was engaged to review the CA Zambia qualification so that the Institute would have a revised curriculum. Stakeholder meetings were held with different focus groups.

> *ZICA maintained its commitment to quality assurance in education by approving tuition providers, updating study materials, and collaborating with universities, resulting in enhanced accountancy programs and examination standards.*

5

GOVERNANCE & LEADERSHIP

ZICA's governance structure is designed to ensure accountability and transparency. The Council oversees the Institute's strategic direction, while the executive management team implements policies and manages day-to-day operations

GOVERNANCE STRUCTURE

The Institute is a creation of the Accountants Act of 1982 and as amended under the Accountants Act No. 13 of 2008. The Act in conjunction with the Constitution of ZiCA provides guidelines on how the Institute should be governed. The Council is the highest body in the hierarchy of the Governance Structure and makes policy decisions over the affairs of the Institute. It sets the strategic direction of the Institute and provides oversight to the management of the Institute. It carries out its mandate through seven (7) Council Committees. The Council and its Committees meet every quarter. The Institute also has three (3) independent committees to discharge statutory functions. The Council is headed by the President, who is elected at the Annual General Meeting for a three (3) year term of office and can be re-elected for the second term only. The Vice President, who is also the Chairperson for the Finance and Administration Committee, assists the President. All Committees of Council are headed by a Council member who reports the business of the Committee during Council meetings. Each Committee has representation of members who are not members of Council.

The Council

The 2023 membership and meeting attendance of Council are as shown below:

No.	Name		Meetings Held	Meetings Eligible to attend	Meetings Attended
1	Mrs. Yande Siame Mwenye	*President (Elected August 2023)*	7	2	2
2	Mr. Joseph Matimba	*Vice-President (Elected August 2023)*	7	2	2
3	Ms. Musonda Chisanga Tembo	*(Elected October 2021)*	7	7	7
4	Ms. Changwe Mulimbika	*(Elected August 2023)*	7	7	6
5	Mr. Mulendo Siame	*(Elected August 2022)*	7	7	7
6	Mr. Susiku Imataa Nasinda	*(Elected August 2023)*	7	2	2
7	Mr. Kawina Muneku	*(Elected August 2023)*	7	2	2
8	Mr. Nathan Mutale	*(Elected August 2023)*	7	2	2
9	Mr. Andrew Sikwanda	*(Elected August 2023)*	7	2	2
10	Mr. Mwale Muloyi Tembo	*(Elected August 2023)*	7	2	1
11	Ms. Nsandi Manza	*(Nominated August 2023)*	7	2	1
12	Mrs. Cecilia Zimba	*President (Retired August 2023)*	7	5	5
13	Mr. Bbenkele Haachitwe	*Vice-President (Retired August 2023)*	7	5	4
14	Ms. Chilala Banda	*(Retired August 2023)*	7	5	5
15	Mr. Patrick Moonga Hamukale	*(Retired August 2023)*	7	5	3
16	Ms. Peggy Kaponda Banda	*(Retired August 2023)*	7	5	4
17	Ms. Thulile Kavimba Mumba	*(Retired August 2023)*	7	5	5
18	Mr. Malama Milambo	*(Retired August 2023)*	7	5	5
19	Mr. Kennedy Musonda	*(Retired August 2023)*	7	5	2

Committee's of Council

The mandate, membership, and attendance of meetings by the committees of Council are as shown below:

Finance and Administration Committee

The Finance and Administration Committee's primary purpose is to ensure financial stability and enhance the long- term financial sustainability of the Institute. In this regard, the Committee oversees financial planning and initiates and recommends to the Council policies, which promote, on a continuous basis, the general welfare of all the members of staff of ZICA in areas relating to but not limited to; salaries and conditions of service, resources, disciplinary and staff grievances.

The 2023 Membership and attendance statistics of the Finance and Administration Committee are shown below:

No.	Name		Meetings Held	Meetings Eligible to attend	Meetings Attended
1	Mr. Joseph Matimba	*Chairperson (Appointed August 2023)*	4	1	1
2	Mr. Andrew Sikwanda	*Vice Chairperson (Appointed August 2023)*	4	1	1
3	Mr. Mathew Phiri	*(Appointed August 2023)*	4	4	4
4	Ms. Chikatizyo Musonda	*(Appointed August 2023)*	4	1	1
5	Ms. Kantu Haachongo	*(Appointed August 2023)*	4	1	1
6	Mr. Bbenkele Haachitwe	*Chairperson (Retired August 2023)*	4	3	3
7	Ms. Changwe Mulimbika	*(Ceased to be a member August 2023)*	4	3	3
8	Ms. Kumoyo Wambulawae	*(Retired August 2023)*	4	3	3
9	Ms. Hellen Kalumbi	*(Retired August 2023)*	4	3	3
10	Ms. Kutemba Mandumbwa	*(Retired August 2023)*	4	3	2
11	Mr. Mundia Mundia	*(Retired August 2023)*	4	3	2

Public Sector Committee

The Public Sector Committee ensures that International Public Sector Accounting Standards are adopted and applied in the public sector entities, i.e. Zambian Government, local Authorities, and related government entities (e.g. agencies, boards, commissions and enterprises).

The 2023 Membership and attendance statistics for Public Sector Committee are as shown below:

No.	Name		Meetings Held	Meetings Eligible to attend	Meetings Attended
1	Ms. Musonda Chisanga Tembo	*Chairperson (Appointed August 2023)*	4	4	4
2	Mr. Nathan Mutale	*Vice Chairperson (Appointed August 2023)*	4	1	1
3	Mr. Bornwell Mpofu	*Continuing*	4	4	2
4	Ms. Nancy Mwamba Muchindu	*Continuing*	4	4	3
5	Ms. Alice Tembo	*Continuing*	4	4	4
6	Ms. Mercy Malisawa	*(Nominated August 2023)*	4	1	1
7	Ms. Peggy Kaponda Banda	*Chairperson (Retired August 2023)*	4	3	3
8	Mr. Francis Ngwenya	*(Retired August 2023)*	4	4	1
9	Mr. Elijah Manunga	*(Retired August 2023)*	4	3	1

Membership Committee

The primary purpose of the Committee is to oversee the registration of Accountants in practice, commerce, and industry; and deal with matters incidental to their membership in line with the requirements of the Accountants Act 2008.

No.	Name		Meetings Held	Meetings Eligible to attend	Meetings Attended
1	Mr. Mulendo Siame	*Chairperson (Appointed August 2023)*	4	4	3
2	Ms. Changwe Mulimbika	*Vice Chairperson (Appointed August 2023)*	4	2	2
3	Ms. Helen Kalumbi	*(Appointed August 2023)*	4	2	2
4	Mr. Martin Kalilo	*(Appointed August 2023)*	4	2	2
5	Mr. Chanda Bwembya	*(Appointed August 2023)*	4	2	1
6	Mr. Simon Mtonga	*(Appointed August 2023)*	4	2	1
7	Ms. Bernas Phiri	*Continuing*	4	4	4
8	Mr. Patrick Moonga Hamukale	*Chairperson (Retired August 2023)*	4	4	2
9	Mr. George William Bester	*(Retired August 2023)*	4	4	1
10	Ms. Sylvia Madawaki	*(Retired August 2023)*	4	4	2
11	Mr. Lyndon Lane Poole	*(Retired August 2023)*	4	4	2
12	Ms. Collina Halwampa	*(Retired August 2023)*	4	4	2

Education and Training Committee

The overall purpose of the Education and Training Committee is to assist the Council in discharging its duties of ensuring that individuals who qualify for registration as chartered accountants in Zambia have the knowledge, skills and attitude to competently perform the duties expected of them.

The 2023 Membership and attendance statistics for the Education and Training Committee are as shown below:

No.	Name		Meetings Held	Meetings Eligible to attend	Meetings Attended
1.	Ms. Changwe Mulimbika	*Chairperson*	4	4	4
2	Mr. Mwale Muloyi Tembo	*Vice Chairperson (Appointed August 2023)*	4	2	2
3	Mr. Kraus Babbi	*Appointed June 2023*	4	2	2
4	Dr. Edward Lusambo	*Continuing*	4	4	4
5	Mr. Kennedy Bowa	*Continuing*	4	4	2
6	Ms. Chilala Banda	*Vice Chairperson (Retired August 2023)*	4	3	3
7	Ms. Mwiche Mutale Banda	*(Retired August 2023)*	4	3	3
8	Mr. Tinashe Jerahuni	*(Retired August 2023)*	4	3	3
9	Mr. Joseph Ngulube	*(Retired August 2023)*	4	3	3

Audit and Risk Management Committee

The overall purpose of the Audit and Risk Management Committee is to assist Council in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.

The 2023 Membership and attendance statistics for the Audit and Risk Management Committee are as shown below:

No.	Name		Meetings Held	Meetings Eligible to attend	Meetings Attended
1	Mr. Kawina Muneku	*Chairperson (Appointed August 2023)*	4	2	2
2	Mr. Susiku Imataa Nasinda	*Vice Chairperson (Appointed August 2023)*	4	2	2
3	Ms. Hlupekile Luhana	*Continuing*	4	4	2
4	Ms. Tabitha Kaunda Mangomba	*(Appointed August 2023)*	4	2	2
5	Mr. Samuel Kapelwa Lipimile	*(Appointed August 2023)*	4	2	2
6	Mr. Raymond Bwembya	*(Appointed August 2023)*	4	2	1
7	Mr. Malama Milambo	*Chairperson (Retired August 2023)*	4	3	3
8	Ms. Musonda Chisanga Tembo	*(Ceased to be a memebr August 2023)*	4	3	2
9	Mr. Edward Kunda	*(Retired August 2023)*	4	3	2
10	Ms. Caroline B.C Banda	*(Retired August 2023)*	4	3	3
11	Ms. Namakau Mundia Ntini	*(Retired August 2023)*	4	3	2

Technical Committee

The purpose of the Technical Committee is to provide technical guidance to Council and members on accounting pronouncements in the accountancy profession in Zambia.
The 2023 Membership and attendance statistics for the Technical Committee are as shown below:

No.	Name		Meetings Held	Meetings Eligible to attend	Meetings Attended
1	Mr. Andrew Sikwanda	*Chairperson (Appointed August 2023)*	4	2	2
2	Mr. Kawina Muneku	*Vice Chairperson (Appointed August 2023)*	4	1	1
3	Ms. Thulile Kavimba Mumba	*Continuing*	4	4	4
4	Mr. Kelvin Chungu	*Continuing*	4	4	4
5	Mr. Tinashe Jerahuni	*Continuing*	4	3	2
6	Ms. Rabecca Hichilo	*(Appointed August 2023)*	4	1	1
7	Mr. Aptone Banda	*(Appointed August 2023)*	4	1	1
8	Mr. Eleutherious Syamutondo	*(Appointed August 2023)*	4	1	1
9	Ms. Chilala Banda	*Chairperson (Retired August 2023)*	4	3	3
10	Mr. Mwale Muloyi Tembo	*(Ceased to be a member August 2023)*	4	2	2
11	Mr. Saviour Mwiinga	*(Retired August 2023)*	4	3	3
12	Mr. Kampamba Mulenga	*(Retired August 2023)*	4	3	3
13	Mr. Andrew Njovu	*(Retired August 2023)*	4	3	1

Taxation Committee

The main purpose of the Committee is to provide guidance on taxation matters affecting the nation and business at large. The 2023 Membership and attendance statistics for the Taxation Committee are as shown below:

No.	Name		Meetings Held	Meetings Eligible to attend	Meetings Attended
1	Mr. Nathan Mutale	*Chairperson (Appointed August 2023)*	4	1	1
2	Mr. Mulendo Siame	*Vice Chairperson (Appointed August 2023)*	4	1	1
3	Mr. Michael Phiri	*Continuing*	4	4	4
4	Mr. Obert Kangwa	*Continuing*	4	4	3
5	Mr. Patrick Mawire	*Continuing*	4	4	4
6	Mr. George Chitwa	*Continuing*	4	4	3
7	Mr. Elalio Mwansa	*Appointed August 2023*	4	1	1
7	Ms. Thulile Kavimba Mumba	*Chairperson (Retired August 2023)*	4	3	3
8	Mr. Malama Milambo	*(Retired August 2023)*	4	3	3
9	Mr. Joseph Matimba	*(Ceased to be a memebr August 2023)*	4	3	3
10	Mr. Mwamba Chishimba	*(Retired August 2023)*	4	4	0
11	Mr. Jetty Lungu	*(Retired August 2023)*	4	3	3
12	Mr. Moses Nkandu	*(Retired August 2023)*	4	3	3

INDEPENDENT COMMITTEES

As a requirement for effective self-regulation, the Accountants Act provides for the establishment of Independent Committees and Boards that carry out oversight functions for the profession.

Disciplinary Committee

The Chair and Vice-Chairperson of the Disciplinary Committee are senior legal practitioners who have held high judicial office or are eligible to be appointed to such an office. The decisions of the Committee are appealable to the High Court of Zambia.

Practice Review Committee

The Committee comprises people from various regulatory bodies that include Securities and Exchange Commission, Zambia Revenue Authority, representation from the big firms, representation from small to medium firms, and Bank of Zambia among others. The Committee receives reports of the audit monitoring reviews by the Directorate of Standards and Regulations of the Institute. The decisions of the Committee are presented before the Standards and Regulatory Board whose decisions are final. In cases where decisions require the discipline of members, such matters are taken to the Disciplinary Committee for necessary action.

Standards and Regulatory Board

The Board comprises various regulatory bodies in Zambia. The primary purpose is to review the decisions of the Practice Review Committee and consider the results of Competence Practice Examinations for individuals wishing to become practitioners. The Board also receives reports from the Public Sector and Technical Committees.

Benevolent Fund

This body receives and manages funds to help members and their families who are in distress. The membership comprises members elected directly by the AGM and work independently.

DELEGATION BY COUNCIL

Council delegates some of its functions to the Chief Executive Officer to make Management more effective. This enables Council to focus on policy matters and play its oversight functions more effectively.

COUNCIL MEMBERS

Mrs. Yande Siame Mwenye
President

Mrs. Mwenye is a seasoned financial, governance and corporate insolvency practitioner with a rich professional history spanning over 21 years across four continents (Africa Zambia, Australia, Europe Norway and the United Kingdom Channel Islands), particularly in the private sector and audit practice with one of the top 9 tier of international audit firms, showcasing her global expertise. She is a fellow of both ACCA and ZICA and also a member of the Institute of Directors.

Notably, she stands as leading one of the top wholly owned Zambian firms and until recently the only woman running an international audit practice in the country. Additionally, she is passionate about matters of Environment, Social and Governance (ESG), particularly in areas of compliance, financial excellence, governance and corporate responsibility solidifying her position as a distinguished leader in the financial and corporate sector. She is a member of the UN Global compact

She is currently Managing Partner of YSM Chartered Accountants, a full service professional firm. She also serves on the boards of Crucible, as Board Chair, First National Bank Zambia (FNB), Chairs audit committee, American Chamber of Commerce (AMCHAM), Treasurer and is Co-Owner of Monyx Estates Limited (a real estate company). She also provides mentorship for women in boardroom.

Mr. Joseph Matimba
Vice President

Mr. Joseph Matimba is a practicing Chartered Certified Accountant and Accredited Insolvency Practitioner, with Fellow membership of ZICA and ACCA. Also a holder of an MSc in Project Management from the University of Bolton UK. He is a member of the Institute of Directors (IoDZ) currently serving as Board Member and Chairing the Corporate Governance Development & Training Committee. Has over 20 years' experience in both practice and industry. He is currently, the Managing Partner at PBIK Corporate Consultancy a ZICA registered firm of Chartered Accountants and Business Advisors

Mr. Susiku Imataa Nasinda
Member

Mr. Nasinda is a Fellow Member of ZICA and ACCA. He holds a Master of Philosophy (MPhil) in Development Finance and ACCA. He is a sustainability leader with over 11 years post qualifying experience in the energy and agriculture sectors. Susiku currently works as Financial Management Specialist at Rural Electrification Authority. Previously, he served in senior finance roles at KGRTC and ACDI/VOCA. He is a Co-Founder at the Legacy Learning Hub Ltd, a leading mentorship hub for accountancy students in Zambia. Nasinda is a Member of the ACCA Global Forum for Public Sector.

Mr. Andrew Sikwanda
Member

Mr. Sikwanda is a Fellow of both the Zambia Institute of Chartered Accountants (ZICA) and the Association of Chartered Certified Accountants (ACCA). He holds a Master's Degree in Financial Management from the University of Cape Town (UCT) and a Bachelor's Degree in Accountancy from The Copperbelt University (CBU), postgraduate certificates in Sustainability Finance from Cambridge University and International Public Sector Accounting Standards (IPSAS) from ACCA.
He is a distinguished Finance and Risk Management professional, with over 17 years of extensive experience in delivering Assurance, Accounting and Finance solutions across a range of industries in Zambia, the United Kingdom and Kenya.
He is also highly proficient in International Financial Reporting Standards (IFRS), Business valuations, audit practices, International Public Sector Accounting Standards (IPSAS), credit risk management, internal controls, budgeting and sustainability reporting. Additionally, he possesses a deep understanding of corporate governance regulations principles and regulations across industries.

Ms. Musonda Chisanga Tembo
Member

Mrs. Tembo is a Fellow of ACCA and ZICA. She holds a Masters Degree in Business Administration and a Bachelor's Degree in Applied Accounting. She is currently the Head of Finance and Administration at the United Nations World Food Programme Zambia Country Office. Of her 17-year career, she also worked as a Finance Director at Imperial Logistics Group as well as Senior Manager with PricewaterhouseCoopers (PwC) Zambia and PwC Tanzania. Over and above serving on the ZICA Council, she also served as the Forum for Zambia Women Accountants (FZWA) National Mentorship and Professional Development Coordinator. She has also facilitated at various workshops and seminars on International Public Sector Accounting Standards (IPSAS) and International Financial Reporting Standards (IFRS).

Mr. Kawina Muneku
Member

Mr. Muneku is a Fellow member of ZICA. He holds a Bachelors degree (Hons) Finance, MBA Finance UNZA, CISA, CIA, CGMA, CA (Z). He is currently a Partner at TopFin Corporate Solutions. He has 12 years' experience.

Mr. Mulendo Siame
Member

Mr. Mulendo Siame has 17 years of work experience and is currently the Lead Trader at Eclipse Solutions Limited. He previously worked for Tractorzam Limited as Finance Manager, Zamanita as Financial Accountant, Zambeef Products PLC (Huntley Farms, Chisamba) as Finance and Administration Manager and Cargill as Planning and Customer Service Lead. He is also a Director and Board member of IMMIA Finance Ltd and he has previously served as and is the immediate past ACCA Zambia Network Panel Chairperson and International Assembly Member.

Mr. Mwale Muloyi Tembo
Member

Mr. Mwale Tembo is a Fellow of ZICA. He holds CA Zambia, BAA, ACMA, GGMA, IASBC. He is currently working for EY Ireland Chartered Accountants as an Assurance Manager in UK and Ireland. He previously worked for BDO Zambia as Assurance Manager. He served as a member of both ZICA Education and Training Committee and Technical Committee for a cumulative period of six years. He is a member of the Institute of Directors of Zambia (IODZ) and the Capital Markets Association of Zambia (CMAZ) and the current Inaugural Vice-Chair of the ZCAS Alumni Executive Committee.

Ms. Nsandi Manza
Member

Ms. Nsandi Manza is the Accountant General of the Republic of Zambia. Her duties entail, designing, implementation and monitoring and evaluation of financial management systems, policies and guidelines in Central government and Local Authorities. She is a distinguished professional with a remarkable career in Public Financial Management (PFM) spanning over two decades with a proven track record of implementing significant Public Financial Management reforms, such as the Integrated Financial Management Information System (IFMIS) and designed the Treasury Single Account (TSA) for the government of Zambia, whose goal was to enhance accountability.

She is a fellow member of ZICA and ACCA. she plays a crucial role in providing strategic guidance and regulation for the accounting profession in the country. She is also an Item Writer for the Public Sector Financial Management course.

Ms. Changwe Mulimbika
Member

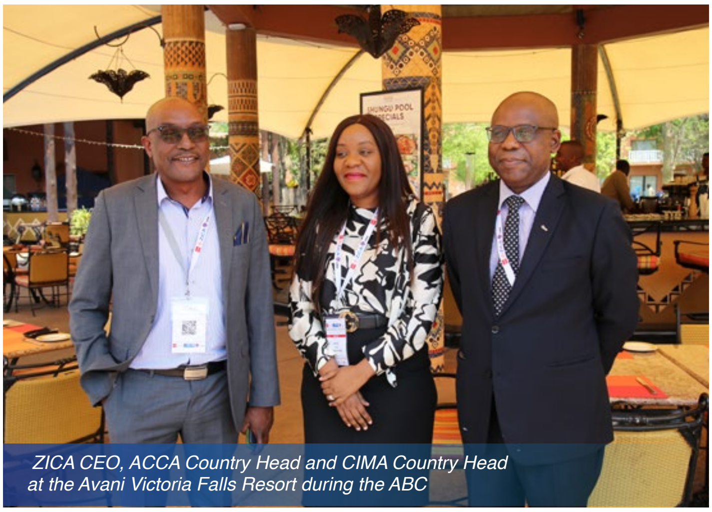
Ms. Mulimbika is a Fellow of the Zambia Institute of Chartered Accountants (ZICA) and the Association of Chartered Certified Accountants (ACCA). She holds an MBA from Herriot Watt University and a Bachelor of Science in Applied Accounting from Oxford Brookes University. She has been serving on ZICA Council since October 2020, chairing the Education and Training committee and vice chairperson for the Membership committee. She is also the National Coordinator for the Forum for Zambia Women Accountants and serves as a non-executive Director on various boards. With over 19 years of experience, she is currently Chief Financial Officer at Twangale Investments Limited. Prior to this, she was Finance Manager at Atlas Mara and has worked at Barclays Bank Plc. Ms Mulimbika is passionate about the accounting profession and mentoring future leaders and young professionals.

Mr. Nathan Mutale
Member

Mr. Mutale is a fellow member of ZICA with over 14 years of diverse accounting and taxation experience. Holder of CA(ZM) and CIMA qualifications Beginning in aviation with Zambia Airports Corporation Limited, he honed his financial reporting skills. Transitioning to BDO Zambia Limited and rose to Manager - Tax, leading teams and delivering tax planning solutions. He served on the Risk Committee of BDO Zambia Limited and boards of INCOTECH Solutions and Greenskills Agro, gaining insights into financial management and corporate governance.

PHOTO FOCUS

Former ZICA Vice President Mr. Bbenkele Haachitwe, ZICA CEO Mr. Anthony Bwembya, Former ZICA President Mrs. Cecilia Zimba posing for a photo with His Excellency Mr. Hakainde Hichilema, President of the Republic of Zambia at the Official Opening of the ZICA Pre-AGM and AGM.



ZICA CEO, ACCA Country Head and CIMA Country Head at the Avani Victoria Falls Resort during the ABC

2023 Graduation Ceremony held at Mulungushi International Conference Centre

ZICA members posing for a selfie with His Excellency Mr. Hakainde Hichilema, President of the Republic of Zambia at the Official Opening of the ZICA Pre-AGM and AGM

Group photo with the Minister of Technology and Science Hon Felix Mutati during the 2023 Annual Business Conference

His Excellency Mr. Hakainde Hichilema, President of the Republic of Zambia at the Official Opening of the ZICA Pre-AGM and AGM.

Former ZICA President Mrs. Cecilia Zimba handing over the Instruments of Power to the current ZICA President Mrs. Yande Siame Mwenye

EXECUTIVE MANAGEMENT TEAM

Anthony Bwembya
Chief Executive Officer

Mr Bwembya brings a wealth of experience in strategic management in the regulatory environment. He has been a Chief Executive Officer of a regulatory body for over ten years. He holds a Master of Laws Degree; Bachelor of Laws Degree; Bachelor of Business Administration Degree and a Post Graduate Diploma in Legislative Drafting. He is also an Advocate of the High Court of Zambia.

Charles Mutale
Director Finance, Investments and Administration

Mr. Mutale is a Fellow of ZICA and the Chartered Institute of Management Accountants (CIMA) and holds a Master Degree in Business Administration specialising in Finance & Strategic Planning. He has over 26 years of senior management experience in Commerce and Industry.

Patricia Mukang'andu Hantumba
Director Membership and Corporate Services

Ms Hantumba is a Fellow of ZICA with over 24 years of experience in the profession. She holds a Master Degree in Business Administration (MBA) (Herriot Watt University) a Bachelors of Arts Degree (UNZA), BSc in Applied Accounting (Oxford Brookes), ACCA, NATech, CIA.

Elizabeth Sondashi Musukwa
Director Education and Training

Mrs. Musukwa has 20 years' experience in education management and administration and business development in the education industry in both academic and professional settings. She holds a Master of Business Administration (MBA) from University of Lusaka and a Bachelor of Business Administration from Copperbelt University.

Mwelwa Mwaba
Director Standards and Regulation

Mr. Mwaba is a Fellow of ZICA and ACCA. He has 22 years of work experience in accounting, banking and Central Bank Regulation. He holds a Master Degree in Business Administration (MBA) and Bachelor's Degree in Accounting and Finance.

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ANNUAL FINANCIAL STATEMENTS

The financial statements for the year ending 31st December 2023 provide a comprehensive overview of ZICA's financial position, including detailed reports on income, expenditure, and overall financial health. These statements underscore the Institute's commitment to financial integrity and accountability

CONTENTS

General Information

Country of incorporation and domicile	Zambia
Nature of business and principal activities	The Zambia Institute of Chartered Accountants (ZICA, referred to as the "Institute") is the regulatory body of Accountants in Zambia. ZICA was established by the Accountants Act, Number 28 of 1982. ZICA continues to exist as if established under the Accountants Act number 13 of 2008. The principal activities are the regulation of the accountancy profession as well as the education and training of accountants in Zambia
Taxpayer identification number	1002330680
Business address	Accountants Park 2374/a Thabo Mbeki Road P.O 32005 Lusaka
Bankers	Stanbic Bank Zambia Limited Stanbic House Plot 2375 Addis Ababa Drive P.O. Box 31955 Lusaka Zambia National Commercial Bank Plc Centre Branch P.O. Box 33611 Lusaka First National Bank Limited Stand Number 22767 P.O. Box 36187 Lusaka ABSA Bank Zambia Plc Addis Ababa Roundabout P.O. Box 31936 Lusaka
Solicitors	AB and David Plot No. 3168 Independence Avenue P.O. Box 38704 Lusaka Sikaulu Lungu Mupeso Legal Practitioners 4 Matandani Close off Lubuto Road Rhodes Park Lusaka Musa Dudhia & Co 2nd Floor, ALN House P.O Box 31198 Lusaka
Auditors	Mark Daniels Chartered Accountants CHAZ Complex Plot No.2882/B/5/10 Third Floor, Suite F3-10/F3-11 Off Great East Road Mission Drive, Waterfalls Lusaka

Report of the Council

The Council members are pleased to present their report and audited financial statements for the year ended 31 December 2023.

Activities

The principal activities of the Institute include regulation, education and training of Accountants in Zambia.

Financial results

Total income during the year was ZMW 75.255 million (2022: ZMW 57.670 million). Total expenditure for the year was ZMW 73.255 million (2022: ZMW 56.033 million). The Institute recorded a surplus for the year of ZMW 2.000 million (2022: ZMW 1.637 million)

Operations

The Institute continued the implementation of the 2019-2023 strategic plan during the period under review. Various initiatives were undertaken and included holding CPD workshops, conducting inspections, holding stakeholder engagements, enforcing CPD requirements and improving performance management systems. Audit monitoring reviews of practicing firms continued to be undertaken in order to improve regulation of the accountancy profession.

Council Members

Council Members who held office during the year up to the date of this report were as follows:

Mrs. Yande Siame Mwenye	*(Elected August 2023)*	President
Mr. Joseph Matimba	*(Elected August 2023)*	Vice president
Mr. Susiku Imataa Nasinda	*(Elected August 2023)*	Member
Mr. Kawina Muneku	*(Elected August 2023)*	Member
Mr. Mulendo Siame	*(Elected August 2022)*	Member
Mr. Mwale Muloyi Tembo	*(Elected August 2023)*	Member
Ms. Changwe Mulimbika	*(Re Elected August 2023)*	Member
Mr. Nathan Mutale	*(Elected August 2023)*	Member
Mr. Andrew Sikwanda	*(Elected August 2023)*	Member
Ms. Musonda Chisanga Tembo	*(Elected October 2021)*	Member
Ms. Nsandi Manza	*(Nominated August 2023)*	Member
Mrs. Cecilia Zimba	*(Retired August 2023)*	President
Mr. Bbenkele Haachitwe	*(Retired August 2023)*	Vice president
Ms. Chilala Banda	*(Retired August 2023)*	Member
Mr. Kennedy Musonda	*(Retired August 2023)*	Member
Ms. Peggy Kaponda Banda	*(Retired August 2023)*	Member
Ms. Thulile Kavimba Mumba	*(Retired August 2023)*	Member
Mr. Patrick Moonga Hamukale	*(Retired August 2023)*	Member
Mr. Malama Milambo	*(Retired August 2023)*	Member

Report of the Council (continued)

None of the Council Members had any material interest in any contracts awarded during the year (2022: none)

Employees and their remunerations

The total remuneration of employees during the year amounted to ZMW 24.695 million (2022: ZMW 21.361 million) and the average number of employees was 42 (2022:42)

Capital Expenditure

During the year, the major changes to property and equipment related to the following additions:

	2023 ZMW	2022 ZMW
Computer equipment	485,017	708,986
Motor vehicles-owned and leases	-	703,112
Buildings	342,299	247,358
Furniture and fittings	237,125	215,933
Office equipment and machinery	228,741	169,449
Total	**1,293,182**	**2,044,838**

Health and safety

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

Auditors

Mark Daniels Chartered Accountants' term of office ceases at the next Annual General Meeting. A resolution proposing their re-appointment as auditors and authorizing Council to determine their remuneration will be proposed at the Annual General Meeting.

By order of the Council.

Secretary and Chief Executive Officer

Date: 14 June 2024

Responsibility of the Council

The Council is required by the Accountants Act to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Institute as at the end the financial period and results of its operations and cash flows for the period then ended, in conformity with the IFRS Accounting Standards as issued by the International Accounting Standards Board and the Accountants Act. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Accountants Act and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Council acknowledges that it is ultimately responsible for the system of internal financial control established by the Institute and place considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the Institute and all employees are required to maintain the highest ethical standards in ensuring the Institute's activities are conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Institute is on identifying, assessing, managing and monitoring all known forms of risk across the Institute. While operating risk cannot be fully eliminated, the Institute endeavors minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior and applied and managed within predetermined procedures and constraints.

The Council is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Council has reviewed the Institute's cash flow forecast for the 12 months to 31 March 2025 and, in light of this review and the current financial position, they are satisfied that the Institute has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Institute's financial statements. The financial statements have been examined by the Institute's external auditors and their report is presented on pages 37 to 39.

The financial statements set out on pages 40 to 75 as well as the appendix on page 76, which have been prepared on the going concern basis, were approved by the Council on 14 June 2024 and were signed on its behalf by:

Yande Siame Mwenye
President

Joseph Matimba
Chairperson, Finance and Administration Committee

Independent Auditor's Report

To the members of Zambia Institute of Chartered Accountants

Opinion

We have audited the accompanying financial statements of Zambia Institute of Chartered Accountants, which comprise the Statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in members funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of Zambia Institute of Chartered Accountants as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the Accountants Act.

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 Institute in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zambia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matter are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matter were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters below as key audit matters:

Matter	How our audit addressed the key matters
Valuation of right of use-investment property ZMW 28 million The valuation of the right of use-investment property is important to our audit as it represents a significant judgment area and an important part of the total assets of the Institute. The valuation of the right of use-investment property is highly dependent on estimates. The Institute's policy is that property valuations are performed by external experts at least once a year. These valuations are amongst others based on assumptions, such as historical transactions, and market transactions, and market knowledge. This was considered a key audit matter.	Our audit procedures included: Considered the objectivity, independence and expertise of the external valuers. Assessed the accuracy of the property related data used as input for the valuations. Assessed the adequacy of the disclosures on the Valuation of right of use-investment property as included in note 15.2 of the financial statements.

Independent Auditor's Report (continued)

Matter	How our audit addressed the key matters
Integration of IMIS and Pastel System The Institute in 2016 implemented a new system which integrated iMIS and Pastel. However, this integration process is not fully implemented. The revenue module is affected by this integration. This module forms a significant part of the financial statements. The reconciliation process is manually driven and involves a matching process between departmental iMIS transactions and the Pastel accounting transactions. This manual intervention process increases the risk of error. There is a risk that cut-off procedures may not be correctly performed due to the lack of integration between the Inventory/ Membership/ Students IMIS system and the accounting PASTEL system. Reconciliations are performed quarterly.	Reviewed the reconciliation between iMIS and Pastel and evaluating the nature of the reconciling items. Determined that the effective operation of the controls provided us with audit evidence in respect of the integration process.

Other information

Council is responsible for the other information. The other information comprises the council's report and the statement of Council responsibilities in respect of the preparation of the financial statements as required by the Accountants Act. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Those Charged with Governance for the Financial Statements

Council is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the Accountants Act 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, Council is responsible for assessing the Institute'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 Institute or to cease operations, or have no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Institute'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.

Independent Auditor's Report (continued)

Auditor's Responsibility for the Audit of the Financial Statements (continued)

- 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 Institute's internal controls.

- Evaluate the appropriateness accounting policies used and the reasonable of accounting estimates and related disclosures made by management.

- Conclude on 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 Institute'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 company 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.

- 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.

We also provide the Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Council, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

The Accountants Act requires that in carrying out an audit, we consider whether or not an Institution has kept the accounting records and registers as required by this Act. We confirm that in our opinion the accounting records, other records and registers required by the Accountants Act have been properly kept by the Institute.

Chartered Accountants
Lusaka

14 June 2024

Frederick M. Banda AUD/F000169
Partner signing on behalf of the firm

Statement of Financial Position

	Note	2023 ZMW	2022 ZMW
ASSETS			
Non-current assets			
Property and equipment	3	15,239,187	15,163,061
Investment property under development	4	1,999,471	1,732,406
Intangible assets	6	2,022,721	2,053,751
Right of use assets	15.2	63,595,850	62,851,870
Equity investments at FVOCI	5	5,496,031	3,263,503
Staff loans and advances at amortised cost	9	241,590	285,208
		88,594,850	85,349,799
Current assets			
Inventories	8	1,679,009	1,615,131
Staff loans and advances at amortised cost	9	1,063,971	859,188
Other receivables	11	279,254	177,614
Investment securities at amortised cost	7	5,203,678	5,342,392
Cash and cash equivalents	12	7,273,469	6,058,397
		15,499,381	14,052,722
Total assets		104,094,231	99,402,521
MEMBERS' FUNDS and LIABILITIES			
Accumulated funds		41,395,047	38,775,943
Revaluation reserve		39,182,277	39,822,351
Other reserves		4,664,942	2,411,339
		85,242,266	81,009,633
Non-current liabilities			
Employee liabilities	13	5,376,884	2,888,520
Lease liabilities	15.3	2,485,195	2,893,673
Deferred income	16	3,212,808	3,546,170
		11,074,887	9,328,363
Current liabilities			
Other payables	14	3,418,763	2,655,198
Lease liabilities	15.3	754,594	626,867
Contract liabilities	17.1	3,603,721	5,782,460
		7,777,078	9,064,525
Total members' funds and liabilities		104,094,231	99,402,521

The responsibility of the Council with regard to preparation of the financial statements is set out on page 36.
The financial statements on pages 40 to 75 were approved by the Council on 14 June 2024 and were signed on its behalf by:

Yande Siame Mwenye
President

Joseph Matimba
Chairperson, Finance and Administration Committee

The notes on pages 44 to 75 are an integral part of these financial statements.

Statement of profit or loss and other comprehensive income

	Note	2023 ZMW	2022 ZMW
Income			
Revenue from contracts with customers	17	70,909,815	55,795,053
Other income	18	2,549,533	946,109
Finance income	19.1	887,658	595,599
Capital grant amortised	16	908,470	333,362
Total income		75,255,476	57,670,123
Expenditure			
Finance cost	19.2	595,735	624,392
Operating expenses		44,278,825	29,735,022
Depreciation and amortization	21	3,619,794	4,337,614
Employee benefits expenses	22	24,694,546	21,361,258
Expected credit loss reversals	10	66,471	(25,345)
Total expenditure		73,255,371	56,032,941
Surplus for the year before tax		2,000,105	1,637,182
Income tax expenses	20	-	-
Surplus for the year		2,000,105	1,637,182
Items that will not be reclassified subsequently to profit or loss			
Gain on equity investments at FVOCI	5	2,232,528	858,081
Other comprehensive income for the year		2,232,528	858,081
Total comprehensive income for the year		4,232,633	2,495,263

The notes on pages 44 to 75 are an integral part of these financial statements.

Statement of Cash flows

	Note	2023 ZMW	2022 ZMW
Cash flows from operating activities			
Surplus for the year		2,000,105	1,637,182
Adjustments to reconcile surplus to net cash flow			
Depreciation of property and equipment	3	1,217,056	1,056,433
Depreciation of right of use assets	15.2	882,970	765,687
Change in fair value of right of use-investment property	15.2	(1,626,950)	(207,050)
Amortization of intangible assets	6	1,519,768	2,515,494
Exchange differences	15.4	715,694	76,116
Capital grant amortised	16	(908,470)	(333,362)
(Profit) or loss on disposal of property and equipment	18	-	(68,308)
Interest received	19.1	(528,358)	(468,194)
Dividend received	19.1	(359,300)	(127,405)
Finance cost from obligations under leases	19.2	595,735	624,392
		3,508,250	5,470,985
Changes in working capital			
Increase in inventories	8	(63,878)	(307,191)
Increase in staff loans and advances at amortised cost	9	(161,165)	(477,804)
(Increase)/Decrease in other receivables	11	(101,640)	15,960
Increase in employee benefits	13	2,488,364	1,617,477
Increase/(decrease) in other payables	14	763,565	(15,240)
(Decrease)/increase in contract liabilities	17.1	(2,178,739)	337,958
Net cash inflows from operating activities		4,254,757	6,642,145
Cash flows from investing activities			
Purchase of property and equipment	3	(1,293,182)	(2,044,838)
Government grant received	16	575,108	-
Acquisition of intangible assets	6	(1,488,738)	(332,500)
(Investment)/redemption of investment securities at amortised cost	7	138,714	(2,949,245)
Proceeds from disposal of property and equipment	18	-	68,308
Acquisition of investment property	4	(267,065)	-
Movement in deferred income	16	-	(704,690)
Dividend received	19.1	359,300	127,405
Interest received	19.1	528,358	468,194
Net cash flows utilized in investing activities		(1,447,505)	(5,367,366)
Cash flows from financing activities			
Interest paid	19.2	(595,735)	(624,392)
Payment of lease liabilities	15	(996,445)	(553,832)
Net cash used in financing activities		(1,592,180)	(1,178,224)
Increase in cash and cash equivalents		1,215,072	96,555
Cash and cash equivalents at the beginning of the year		6,058,397	5,961,842
Cash and cash equivalents at end of the year	12	7,273,469	6,058,397

The notes on pages 44 to 75 are an integral part of these financial statements.

Statement of Changes in Members' Funds

	Equity Investment revaluation	Whistle Blower Protection fund	Total Other reserves	Total Accumulated fund	Revaluation reserve	Total
	(i)	(ii)	(iii)	(iv)	(v)	
	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Balance at 1 January 2022	1,372,651	165,909	1,538,560	36,513,385	40,462,425	78,514,370
Surplus for the year	858,081	-	858,081	1,637,182	-	2,495,263
Amortization	-	-	-	640,074	(640,074)	-
Funds transfer	-	14,698	14,698	(14,698)	-	-
Balance at 31 December 2022	2,230,732	180,607	2,411,339	38,775,943	39,822,351	81,009,633
Balance at 1 January 2023	2,230,732	180,607	2,411,339	38,775,943	39,822,351	81,009,633
Surplus for the year	2,232,528	-	2,232,528	2,000,105	-	4,232,633
Amortization	-	-	-	640,074	(640,074)	-
Funds transfer	-	21,075	21,075	(21,075)	-	-
Balance at 31 December 2023	4,463,260	201,682	4,664,942	41,395,047	39,182,277	85,242,266

(i) Equity investment revaluation reserve represents the cumulative gains and losses on the revaluation of equity investment at FVOCI financial assets that have been recognised in other comprehensive income.

(ii) The whistle blower protection fund is a reserve to protect members that may report activities that are not in line with the ethics of the Institute.

(iii) Total other reserves comprise the equity investment revaluation and whistle blower protection fund.

(iv) The accumulated fund represents carried forward recognised income net of expenses for the Institute.

(v) The revaluation reserve is the surplus arising from revaluations of land and buildings.

The notes on pages 44 to 75 are an integral part of these financial statements.

Material accounting policies

1. Regulatory framework

The Zambia Institute Chartered Accountants was established by the enactment of the Accountants Act Number 28 of 1982 now repealed and continues to exist as if established under the Accountants Act Number 13 of 2008.

1.1 Basis of preparation

The financial statements of the Zambia Institute Chartered Accountants have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Accountants Act Number 13 of 2008. The financial statements have been prepared under the historical cost convention and the accounting policies have been consistently applied with the exception of leasehold buildings, right of use-investment property and equity financial assets for which a valuation policy has been adopted. Where necessary, comparative figures have been adjusted to confirm with changes in presentation in the current year. The financial statements provide comparative information in respect of the previous period.

1.2 Functional and presentation currency

The functional and presentation currency of the Institute is the Zambian Kwacha.

1.3 Changes in accounting policies

During the current year, the Institute adopted the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2023. Their adoption had no material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the ‘four- step materiality process’ described in IFRS Practice Statement 2.

The amendments have had an impact on the Institute’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Institute’s financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted

The amendments had no impact on the Institute’s financial statements.

2. Material Accounting Policies

2.1 property and equipment

Property and equipment, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Institute depreciates them separately based on specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Buildings are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in other comprehensive income (OCI) and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset’s original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows.

Item	Rate
Leasehold land and buildings	2.5%
Motor vehicles – owned and leased	25%
Furniture and fittings, machinery, office equipment and computers	20%
Library books are not depreciated	nil

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.2 Investment Property under development

Property that is being constructed or developed for future use as investment property is classified as investment property under development and carried at cost until construction or development is complete at which time it is reclassified and subsequently accounted for as investment property.

All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure for the development qualify as acquisition costs and are capitalized.

2.3 Intangible assets

An intangible asset is an identifiable, non-monetary asset without physical substance. Intangible assets are identifiable resources controlled by the Institute from which the Institute expects to derive future economic benefits. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Institute and the cost of the asset can be measured reliably.
Intangible assets that are acquired and have finite useful lives are initially recognised at cost with subsequent measurement at cost less any accumulated amortisation and any impairment losses. The intangible assets are amortised at 20% per annum on a straight line basis. An Intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gain and losses from derecognition of an intangible asset are recognised in profit or loss.

Material accounting policies continued

2.4 Inventory
Inventory is stated at the lower of cost and net reliable value. The cost is determined on a weighted average cost basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less any selling expenses.

2.5 Revenue from contracts with customers

The Institute recognises revenue from the following major sources:

- Annual subscription
- Subscription arrears
- Registrations and entry fees
- Competence examination fees
- Firm registrations fees
- Practicing certificate fees
- Exemption fees
- Examination fees
- Seminars & workshops
- Sales of manuals

Revenue is measured based on the consideration to which the Institute expects to be entitled in a contract with customers and excludes amounts collected on behalf of third parties.

The Institute is in the business of providing regulatory services and the training of accountants. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Institute expects to be entitled in exchange for those goods or services.

All its revenue except that from annual subscriptions is recognised at the point in time when control of the asset is transferred to the customer. Subscriptions received in advance are recognised as services transferred over time that result in a current contract liability.
The Institute considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g, free magazines and life insurance cover).

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Institute performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contractasset is recognised for the earned consideration that is conditional.

Other receivables
A receivable represents the Institute's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets - Financial instruments – initial recognition and subsequent measurement.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Institute has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Institute transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Institute performs under the contract.

Finance income
i) Interest and similar income/expense
Net interest income comprises interest income and interest expense calculated using both the effective interest method and other methods. These are disclosed separately on the face of the income statement for both interest income and interest expense to provide symmetrical and comparable information. In its Interest income/expense calculated using the effective interest method. Other interest income/expense includes interest on and all financial assets/liabilities, using the contractual interest rate.

The Institute calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset. When a financial asset becomes credit- impaired and is therefore regarded as 'Stage 3', the Institute calculates interest income by applying the EIR to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Institute reverts to calculating interest income on a gross basis.

Material accounting policies continued

2.6 Grants and non-monetary donations

Grants for revenue expenditure are recognised in profit or loss during the period in which they are received. Grants for capital expenditure and donations of non-monetary assets are credited to a deferred income account at their cash or fair values. The deferred income is transferred to profit or loss each year on a systematic and rational basis over the useful lives of the related assets.

2.7 Transactions in foreign currencies

Transactions in foreign currencies during the year are converted into Zambian Kwacha at rates ruling at the transaction dates. Assets and liabilities denominated in foreign currencies are translated into Zambian
Kwacha at rates ruling at the statement of financial position date. The resulting differences from conversion and translation are dealt with in the statement of comprehensive income in the year in which they arise.

The year end rates used during the year are as follows:

	2023	2022
1USD to ZMW	25.7	18.25
1GBP to ZMW	33.14	21.97

2.8 Cash and cash equivalents

Cash comprises cash on hand, at bank and demand deposits with banks. Cash equivalents are short term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash, deposits in banks and short term investments, net of outstanding bank overdrafts.

2.9 Employee benefits

A defined contribution plan is a post-employment plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Institute pays fixed contributions into the National Pension Scheme Authority. The Institute has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

The cost of gratuity and annual leave are recognised during the period in which the employee renders the related service. Accruals for employee entitlement to gratuity and annual leave represent the present obligation, which the Institute has to pay as a result of the employee services provided to the reporting date.

Employee liabilities are recognised for the amount expected to be paid for gratuity and annual leave as the Institute has a present legal constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.10 Financial instruments – initial recognition

Date of recognition

Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Institute becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred
to the customers' accounts. The Institute recognises balances due to customers when funds are transferred to the Institute.

Initial measurement of financial instruments and classification of financial instruments at initial recognition depends on the contractual terms and the business model for managing the instruments. Financial instruments are initially measured at fair value, except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Institute accounts for the Day 1 profit or loss, as described below.

Material accounting policies continued

Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Institute recognises the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

Measurement categories of financial assets and liabilities

The Institute classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:
- Amortised cost;
- Fair value through other comprehensive income;

The Institute may designate financial instruments at FVPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies. Furthermore, the Institute designates and measurements its financial assets held for investment purposes at FVOCI.

Financial assets and liabilities

Due from staff loans and advances and bank financial investments at amortised cost (fixed deposits)

Due from staff loans and advances and bank financial investments, included non–derivative financial assets with fixed or determinable payments that were not quoted in an active market, other than those:

- That the Institute intended to sell immediately or in the near term;
- That the Institute, upon initial recognition, designated as at FVPL or as available-for-sale;
- For which the Institute may not recover substantially all of its initial investment, other than because of credit deterioration, which were designated as available-for-sale.

The Institute only measures due from loans and staff loans and advances and other bank financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

The Institute determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Institute's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- The expected frequency, value and timing of sales are also important aspects of the Institute's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Institute's original expectations, the Institute does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The solely payments of principal and interest test

Material accounting policies continued

As a second step of its classification process the Institute assesses the contractual terms of financial asset to identify whether they meet the solely payments of principal and interest test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Institute applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.
In contrast, contractual terms that introduce a more than de minimise exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

Reclassification of financial assets and liabilities

The Institute does not reclassify its financial assets subsequent to initial recognition, apart from the exceptional circumstances in which the Institute acquires, disposes of, or terminates a product line. Financial liabilities are never reclassified.

When assessing whether or not to derecognise a loan to a staff, amongst others, the Institute considers the following factors:

- Change in currency of the loan
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion
- If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original effective rate of interest, the Institute records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Institute can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Institute benefits from such proceeds as a recovery of part of the cost of thefinancial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Institute elected to classify irrevocably its listed equity investments under this category.

Derecognition other than for substantial modification financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Institute also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Institute has transferred the financial asset if, and only if, either:

- The Institute has transferred its contractual rights to receive cash flows from the financial asset or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Institute retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Institute has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Institute cannot sell or pledge the original asset other than as security to the eventual recipients
- The Institute has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

Material accounting policies continued

In addition, the Institute is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:
- The Institute has transferred substantially all the risks and rewards of the asset or
- The Institute has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Institute considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Institute has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Institute's continuing involvement, in which case, the Institute also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Institute has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Institute could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Institute would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Impairment of financial assets

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12 months ECL).

The 12 months ECL is the portion of Lifetime ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both Lifetime ECLs and 12months ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Institute's policy for grouping financial assets measured on a collective basis.

The Institute has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on the above process, the Institute groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: When debit instruments are first recognised, the Institute recognises an allowance based on 12 months ECLs. Stage 1 debit instruments also include facilities where the credit risk has improved and the debit instrument has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Institute records an allowance for the Lifetime ECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Debit instruments considered credit-impaired. The Institute records an allowance for the Lifetime ECLs.

For financial assets for which the Institute has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Material accounting policies continued

The Calculation of ECLs

The Institute calculates ECLs based on four probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the effective rate of interest. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

- The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in
- The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Institute considers four scenarios (a base case, an upside, a mild downside ('downside 1') and a more extreme downside ('downside 2')). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Institute has the legal right to call it earlier.

Impairment of financial assets continued Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value. Provisions for ECLs for undrawn loan commitments are assessed.

Overview of the ECL principles

The mechanics of the ECL method are summarised below:

- Stage 1: The 12 months ECL is calculated as the portion of Lifetime ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Institute calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12- month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original effective rate of interest.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Institute records an allowance for the Lifetime ECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original effective rate of interest.
- Stage 3: For loans considered credit-impaired, the Institute recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

The mechanics of the ECL method are summarized below

Forward looking information

In its ECL models, the Institute relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Inflation-rates
- Default spread, country risk premiums

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in Note25.10.

Impairment losses on financial assets

The measurement of impairment losses both under IFRS 9 and IAS 39 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values

Material accounting policies continued

when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Institute's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and effective rate of interest interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include:

- The Institute's internal credit grading model, which assigns PDs to the individual grades.
- The Institute's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment.
- The segmentation of financial assets when the ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of associations between macroeconomic scenarios and, economic inputs, such as GDP growth rate and collateral values, and the effect on PDs, EADs and LGDs.

Selection of forward-looking macroeconomic scenarios probability weightings, to derive the economic inputs into the ECL models.

2.11 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in best in the economic interest.

A fair value measurement of a non-financial asset takes into account market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it another market participant that would use the asset in its highest and best use. The Institute uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Institute determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole at the end of each reporting period.

The Institute's executive management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted AFS financial assets, and for non-recurring measurements. The executive management comprises of the Chief Executive Officer and the Directors.

External valuers are involved for valuation of significant assets, such as properties and AFS financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the executive management.

Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years for the valuation of property, plant and equipment. The Institute's external valuers provide the valuation techniques and inputs to use for each case.

The executive management, in conjunction with the Institute's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. On an annual basis, the executive management and the Institute's external valuers present the valuation results to the Audit Committee and the Institute's independent auditors. This includes a discussion of the major assumptions used in the valuations.

Material accounting policies continued

For the purpose of fair value disclosures, the Institute has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.12 Current versus non-current classification

The Institute presents assets and liabilities in the statement of financial position based on current/non- current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period Or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

2.13 Investment securities

a) Fixed deposits
Investments are valued at amortised cost using the effective interest rate method less any provision for impairment.

b) Shares
The fair value of shares that are actively traded on the Lusaka Securities Exchange is determined by reference to quoted market bid prices at the close of business on the statement of financial position date. Any changes in value of the shares is reflected through the statement of comprehensive income.

2.14 Members' Fund

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If any instrument reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

i) The accumulated fund represents carried forward recognised income net of expenses for the Institute.
ii) The revaluation reserve is the surplus on land and buildings were arising from revaluations.
iii) The whistle blower protection fund is a reserve to protect members that may report activities that are not in line with the ethics of the Institute.
iv) Equity investment revaluation reserve represents the cumulative gains and losses on the revaluation of equity investment at FVOCI financial assets that have been recognised in other comprehensive income.

2.15 Leases

The Institute as a lessee

The Institute assesses whether a contract is or contains a lease, at inception of the contract. The Institute recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Institute recognises the lease payments as an operating expense on a straight- line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.
Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Material accounting policies continued

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Institute remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right of use is amortised per class as follows:

Right of use- land	99 years
Right of use- Building	10 years

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Institute incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right- of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfer's ownership of the underlying asset or the cost of the right-of-use asset reflects that the Institute expects to exercise a purchase option, the related right- of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Right- of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the right-of-use assets are presented as a separate line in the statement of financial position.

The Institute applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of- use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Institute has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Institute allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease component.

2.16 Material accounting judgments, estimates and assumptions

The preparation of the Institute's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Other disclosures relating to the Institute's exposure to risks and uncertainties includes:

- Capital management
- Financial instruments risk management and policies
- Sensitivity analyses disclosures

Material accounting policies continued

In the process of applying the Institute's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Institute applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Identifying performance obligations.
- Determining the timing of satisfaction of the subscriptions and other services.
- Principal versus agent considerations

Subscriptions, Insurance and Magazine services

Under IFRS 15, the Institute assessed that there were three performance obligations in a contract for subscription fees and performed a re-allocation of the transaction price based on their relative stand-alone selling prices, which decreased the amount allocated to subscription fees.

The following significant assumptions have been applied in the determination of the relative standalone prices used in the allocation of the transaction prices for the free magazines and insurance cover to fully paid up members.

	ZMW	ZMW
Magazines	12.4	28.08
Insurance	450	420

The Institute has concluded that the performance obligations in respect to the member benefits as above all mature within the same accounting period.

Revaluation of property and equipment and investment properties

Investment properties and property and equipment valuation methodology are based on active market prices, the nature, location or condition of the specific property which is performed by an accredited independent valuer who has valuation experience for similar properties. The Institute carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. The changes in fair value of property, plant and equipment is recognised in OCI.

The key assumptions used to determine the fair value of the properties are provided in Notes 3 and 15.2.

Provision for expected credit losses

The Institute uses a General approach to calculate ECLs for staff loans and advances and investment securities. The probability of default rates is based on days past due for groupings of various instruments segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The impairment model is initially based on the Institute's historical observed default rates. The Institute will calibrate the PD factors to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults and the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Institute's historical credit loss experience and forecast of economic conditions may also not be representative of the staff's actual default in the future. The information about the ECLs on the Institute's financial instruments is disclosed in Note 7, 9, and 25 of the financial statements.

Determining the lease term of contracts with renewal and termination options – Institute as lessee

The Institute determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Institute has several lease contracts that include extension and termination options. The Institute applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Institute reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Institute included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable.

Shorter non- cancellable period (i.e., three to five years). The Institute typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Institute typically leases motor vehicles for not more than five years and, hence, is not exercising anyrenewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Leases - Estimating the incremental borrowing rate

The Institute cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Institute would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Institute 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Institute estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

2.17 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Institute's financial statements are disclosed below. The Institute intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non- current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early. The Institute anticipate that the application of these amendments may have an impact on the financial statements in future periods.

Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non- current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand /the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Material accounting policies continued

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

The Institute anticipate that the application of these amendments may have an impact on the financial statements in future periods.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:
- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

The amendments are not expected to have a material impact on the Institute's financial statements.

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

The amendments are not expected to have a material impact on the Institute's financial statements.

Notes to the financial statements

3. Property and equipment

2023 Cost/Valuation	Buildings	Motor vehicles owned	Furniture, fittings and equipment	Office equipment	Computers	Library books	Total
	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
At 1 January 2023	13,458,218	2,567,993	1,998,017	1,434,737	3,697,805	87,722	23,244,492
Additions	342,299	-	237,125	228,741	485,017	-	1,293,182
At 31 December 2023	**13,800,517**	**2,567,993**	**2,235,142**	**1,663,478**	**4,182,822**	**87,722**	**24,537,674**
Depreciation							
At 1 January 2023	987,875	1,362,606	1,757,881	1,195,274	2,777,795	-	8,081,431
Charge for the year	336,456	390,383	85,535	86,775	317,907	-	1,217,056
At 31 December 2023	1,324,331	1,752,989	1,843,416	1,282,049	3,095,702	-	9,298,487
Net book value							
At 31 December 2023	**12,476,186**	**815,004**	**391,726**	**381,429**	**1,087,120**	**87,722**	**15,239,187**

2022 Cost/Valuation	Buildings	Motor vehicles owned	Furniture, fittings and equipment	Office equipment	Computers	Library books	Total
	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
At 1 January 2022	13,210,860	1,940,549	1,782,084	1,265,288	2,988,819	87,722	21,275,322
Additions	247,358	703,112	215,933	169,449	708,986	-	2,044,838
Disposals	-	(75,668)	-	-	-	-	(75,668)
At 31 December 2022	**13,458,218**	**2,567,993**	**1,998,017**	**1,434,737**	**3,697,805**	**87,722**	**23,244,492**
Depreciation							
At 1 January 2022	654,512	1,098,510	1,686,124	1,137,383	2,524,137	-	7,100,666
Charge for the year	333,363	339,764	71,757	57,891	253,658	-	1,056,433
Elimination on disposal	-	(75,668)	-	-	-	-	(75,668)
At 31 December 2021	987,875	1,362,606	1,757,881	1,195,274	2,777,795	-	8,081,431
Net book value							
At 31 December 2022	**12,470,343**	**1,205,387**	**240,136**	**239,463**	**920,010**	**87,722**	**15,163,061**

Notes to the financial statements (continued)

3. Property and equipment (continued)

The leasehold buildings were valued at 31 December 2019 on an open market value basis by qualified, independent valuers from Knight Frank who have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The leasehold buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The revaluation surplus was credited to other comprehensive income and is included on the statement of financial position and in the statement of changes in members' funds. Had the revalued properties been measured on a historical cost basis, their net book value would have been ZMW 6,094,848 (2022: ZMW 6,353,952).

Assumption of the valuation

The subject property was assessed using the market comparable method. Under this approach the first step is to consider the prices for transactions of identical or similar assets that have occurred recently in the market. If few recent transactions have occurred, it may also be appropriate to consider the prices of identical or similar assets that are listed or offered for sale provided the relevance of this information is clearly established and critically analysed. It may be necessary to adjust the price information from other transactions to reflect any differences in the terms of the actual transaction and the basis of value and any assumptions to be adopted in the legal, economic or physical characteristics of the assets in other transactions and the asset being valued.

4. Investment property under development

	2023 ZMW	2022 ZMW
Opening balance	1,732,406	1,732,406
Additions	267,065	-
Closing balance	1,999,471	1,732,406

The Investment property consists of expenditure incurred in the development of Livingstone Lot No.19912/M & Farm No.9012. The Institute intends to develop a Convention Centre in Livingstone.

Notes to the financial statements (continued)

5. Equity Investments at FVOCI

Company	No. of shares	Share price as at 31Dec 2023	Market value as at 31 Dec 2022	Disposal	Capital appreciation/ (dep)	Market value as at 31 Dec 2023
	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Zambia National Commercial Bank Plc	250,000	3.80	797,500	-	152,500	950,000
Standard Chartered Bank Zambia Plc	87,949	1.50	116,094	-	15,830	131,924
Zambeef Products Plc	50,000	2.53	130,000	-	(3,500)	126,500
Zambia Sugar Plc	100,000	35	1,800,000	-	1,700,000	3,500,000
Copperbelt Energy Corporation Plc	111,087	7.09	419,909	-	367,698	787,607
			3,263,503	-	2,232,528	5,496,031

Company	No. of shares	Share price as at 31Dec 2022	Market value as at 31 Dec 2021	Disposal	Capital appreciation/ (dep)	Market value as at 31 Dec 2022
	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Zambia National Commercial Bank Plc	250,000	3.19	475,000	-	322,500	797,500
Standard Chartered Bank Zambia Plc	87,949	1.32	105,539	-	10,556	116,094
Zambeef Products Plc	50,000	2.6	80,500	-	49,500	130,000
Zambia Sugar Plc	100,000	18	1,450,000	-	350,000	1,800,000
Copperbelt Energy Corporation Plc	111,087	3.78	294,383	-	125,525	419,909
			2,405,422	-	858,081	3,263,503

Equity investments consist of funds invested in shares in Lusaka Securities Exchange listed companies. The investments are reflected at market values and are classified as level 1 in the fair value hierarchy. The equity investment has been classified atfair value through other comprehensive income (FVOCI).

6. Intangible assets

31 December 2023	Carrying value at the beginning of the year	Additions	Amortisation	Impairment	Carrying value at the end of the year
	ZMW	ZMW	ZMW	ZMW	ZMW
Software costs	57,630	828,877	(57,630)	-	828,877
Syllabi development costs	1,996,121	659,861	(1,462,138)	-	1,193,844
	2,053,751	1,488,738	(1,519,768)	-	2,022,721

31 December 2022	Carrying value at the beginning of the year	Additions	Amortisation	Impairment	Carrying value at the end of the year
	ZMW	ZMW	ZMW	ZMW	ZMW
Software costs	114,380	-	(56,750)	-	57,630
Syllabi development costs	4,122,365	332,500	(2,458,744)	-	1,996,121
	4,236,745	332,500	(2,515,494)	-	2,053,751

Software costs relate to iMIS software which is fully operational. Syllabi development costs relate to expenditure on the development of CA Zambia qualification, the Diploma in Accountancy Qualification, Taxation and the Public Sector Finance Programmes. The development expenditure and software costs are being amortised at 20% per annum on a straight line basis.

Notes to the financial statements (continued)

	2023 ZMW	2022 ZMW

7. Investment securities at amortised cost

	2023 ZMW	2022 ZMW
Fixed deposits	5,238,000	5,375,154
Expected credit losses	(34,322)	(32,762)
	5,203,678	5,342,392

The table below shows the maximum exposure to credit risk based on the Institute's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Institutes' internal grading system are explained in Note 25. The policies about whether ECL allowances are calculated on an individual or collective basis are set out in Note 25.

As at 31 December 2023

Internal Rating Grade	Stage 1	Stage 2	Stage 3	Total
Performing high Grade	(34,322)	-	-	(34,322)
Standard grade	-	-	-	-
Sub-standard grade	-	-	-	-
Not performing individually impaired	-	-		-
Total	**(34,322)**	**-**	**-**	**(34,322)**

As at 31 December 2022

Internal Rating Grade	Stage 1	Stage 2	Stage 3	Total
Performing high Grade	(32,762)	-	-	(32,762)
Standard grade	-	-	-	-
Sub-standard grade	-	-	-	-
Not performing individually impaired	-		-	-
Total	**(32,762)**	**-**	**-**	**(32,762)**

The outstanding balance of investment securities at amortised cost decreased by ZMW 138,714 (2022: Increased by ZMW 2,949,245). The ECL allowance as at the 31 December 2023 ECL was ZMW 34,322 (2022: ZMW 32,762) Movements over the year were mostly driven by the movements in the corresponding gross figures in 2023.

A reconciliation of the ECL as at 31 December 2023 is shown below:

Fixed deposits		
At 01 January 2022	32,762	13,761
Expected credit loss (ECL)	1,560	19,001
At 31 December 2023	**34,322**	**32,762**

Average annual rates
Institution

Stanbic Bank Zambia Limited fixed deposit	13.5%	14.0%

Notes to the financial statements (continued)

	2023 ZMW	2022 ZMW
8. Inventories		
Study manuals	1,679,009	1,615,131

The cost of inventories recognised as an expense during the year was ZMW 535,286 (2022: ZMW 658,804). Inventory written off in the year was Nil (2022: ZMW Nil)

9. Staff loans and advances at amortised cost

	2023 ZMW	2022 ZMW
Staff loans	856,381	861,042
Staff advances	449,180	218,443
Expected credit losses	-	64,911
Closing balance	1,305,561	1,144,396

The exposure to credit risk based on the Institutes internal credit rating system and year end stage classification on the staff loans and advances indicated no impairment as the present value of the security was more than the staff loans and advances. ECL allowance as at 31 December 2023 ZMW Nil (2022:64,911).

As at 31 December 2023				
Internal Rating Grade	Stage 1	Stage 2	Stage 3	Total
Performing high Grade	-	-	-	-
Total	-	-	-	-

As at 31 December 2022				
Internal Rating Grade	Stage 1	Stage 2	Stage 3	Total
Performing high Grade	64,911	-	-	64,911
Total	64,911	-	-	64,911

ECL allowance as at 31 December 2023 was a debit of ZMW Nil (2022 was a debit of ZMW 64,911. Movements over the year were minor mostly driven by the movements in the corresponding gross figures in 2023.
A reconciliation of the ECL as at 31 December 2023 is shown below:

	2023 ZMW	2022 ZMW
Staff loans and advances		
At 01 January 2022	(64,911)	(20,564)
Expected credit loss/reversal	64,911	(44,347)
At 31 December 2023	-	(64,911)

Analysis of classification as follows:

	2023 ZMW	2022 ZMW
Current asset		
Staff loans and advances (short term component)	1,063,971	859,188
	1,063,971	859,188
Non-current assets		
Staff loans and advances (long term component)	241,590	285,208
	1,305,561	1,144,396

Notes to the financial statements (continued)

	2023 ZMW	2022 ZMW
10. Expected credit losses		
Opening expected credit loss 1 January 2023	(32,149)	(6,803)
Total expected credit losses (credit)/charge (note 7 & 9)	66,471	(25,345)
Closing expected credit loss/reversal	34,322	(32,149)

The table below shows the ECL charges on financial instruments for the year recorded in the income statement

As at 31 December 2023	Stage 1 Individual ZMW	Collective ZMW	Stage 2 and 3 Individual ZMW	Collective ZMW	Total ZMW
Staff loans and advances	-	-	-	-	-
Investment Securities	34,322	-	-	-	34,322
Total Impairment	34,322	-	-	-	34,322

As at 31 December 2022	Stage 1 Individual ZMW	Collective ZMW	Stage 2 and 3 Individual ZMW	Collective ZMW	Total ZMW
Staff loans and advances	(64,911)	-	-	-	(64,911)
Investment Securities	32,762	-	-	-	32,762
Total Impairment	(32,149)	-	-	-	(32,149)

11. Other receivables

Sundry debtors	201,610	126,380
Prepayments	77,644	51,234
	279,254	177,614

12. cash and cash equivalents

Cash at bank	7,273,403	6,058,172
Cash on hand	66	225
	7,273,469	6,058,397

13. Employee liabilities

Balance at 1 January	2,888,520	2,561,260
Provision	3,952,621	3,494,867
Paid during the year	(863,853)	(3,134,845)
Less short term portion (note 14)	(600,404)	(32,762)
Long term portion	5,376,884	2,888,520

Employee liabilities relates to gratuities payable to employees at the end of their respective contracts.

Notes to the financial statements (continued)

	2023 ZMW	2022 ZMW
14. Other payables		
Accruals	1,661,742	1,143,343
Sundry creditors	1,156,617	1,465,039
Employee liabilities (note 13)	600,404	32,762
Benevolent fund	-	14,054
Long term portion	3,418,763	2,655,198

15. Leases

15.1 Institute as a lessee

The Institute has lease contracts for buildings, vehicles and land used in its operations. Leases of buildings and Land generally have lease terms between 3 and 99 years respectively, while motor vehicles generally have lease terms of 5 years. The Institute's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Institute is restricted from assigning and subleasing the leased assets. There are lease contracts that include extension and termination options.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

15. 2 Right of use assets

	ROU Building	ROU Land	Finance Lease-Motor Vehicle	ROU-Investment Property	Total
	ZMW	ZMW	ZMW	ZMW	ZMW
At 01 January 2022	187,976	34,731,226	-	26,614,778	61,533,980
Addition	-	-	1,876,527	-	1,876,527
Depreciation charge for the year	(62,659)	(351,179)	(351,849)	-	(765,687)
Fair value gain	-	-	-	207,050	207,050
At 31 December 2022	125,317	34,380,047	1,524,678	26,821,828	62,851,870
Depreciation charge for the year	(62,659)	(351,179)	(469,132)	-	(882,970)
Fair value gain	-	-	-	1,626,950	1,626,950
At 31 December 2023	62,658	34,028,868	1,055,546	28,448,778	63,595,850

(i) Right of use Building relates to the lease of Kitwe building.
(ii) Right of use Land relates to the lease of land at the Accountants Park, Thabo Mbeki offices.
(iii) Finance Lease-Motor Vehicles relates to the lease of Motor vehicle.
(iv) Right of use-Investment property consist of land in Livingstone on Lot No. 19912/m and farm No. 9012.

The revalued Right of Use Assets-Investment property consists of the Livingstone Lot No.19912/M & Farm No.9012. As at the date of revaluation, the property's fair value is based on valuations performed by Knight Frank Zambia Limited, an accredited independent valuer who has valuation experience for similar properties. There was no change to the valuation technique during the year.

Assumption of the valuation

The subject property was assessed using the market comparable method. The key input for this method is the price for comparable properties. This is a method whereby comparable sales data of properties within the vicinity of the subject property are collected and analysed to arrive at appropriate rates to apply to the subject property being valued. In so doing, consideration of both the local market within close proximity to the property being valued and on a wider view within the entire city. When applying this method, it may be necessary to adjust the price information from other transactions to reflect any differences in the terms of the actual transaction and the basis of value and any assumptions to be adopted in the legal, economic or physical characteristics of the assets in other transactions and the asset being valued.

Notes to the financial statements (continued)

	2023 ZMW	2022 ZMW

15. 3 Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	ROU Land	ROU Building	Finance Lease - Motor Vehicle	Total
	ZMW	ZMW	ZMW	ZMW
At 01 January 2022	1,547,587	574,142	-	2,121,729
Addition	-	-	1,876,527	1,876,527
Payments made during the year	(216,449)	(146,737)	(815,038)	(1,178,224)
Accretion of interest	210,282	130,617	283,493	624,392
Translation difference	76,116	-	-	76,116
At 31 December 2022	1,617,536	558,022	1,344,982	3,520,540
Payments made during the year	(269,481)	(155,541)	(1,167,158)	(1,592,180)
Accretion of interest	308,380	126,950	160,405	595,735
Translation difference	715,694	-	-	715,694
At 31 December 2023	2,372,129	529,431	338,229	3,239,789

Assumptions used to determine the right of use asset

The Institute applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Institute reassesses the lease term (99 years) if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). The effective interest rate applied was USD:13 percent and ZMW: 22.5 percent.

	2023	2022
Current	754,594	626,867
Non-current	2,485,195	2,893,673
	3,239,789	3,520,540

The maturity analysis of lease liabilities are disclosed below in 15.6

15.4 The following are the amounts recognised in profit or loss:

	2023	2022
Depreciation expense of right-of-use assets	882,970	765,687
Interest expense on lease liabilities	595,735	624,392
Exchange difference	715,694	76,116
	2,194,399	1,466,195

15.5 The following provides information on the Institute's fixed and variable payments:

	Fixed payments	Variable payments	Total
2023	ZMW	ZMW	ZMW
Fixed rent	435,330	-	435,330
2022			
Fixed rent	350,395	-	350,395

15.6 The Institute has lease contracts that include extension and termination options. Set out below are undiscounted potential future rental payments relating to period following the exercised date of extension and termination options not included in the lease term:

	Within five years	More than five years	Total
	ZMW	ZMW	ZMW
Extension options expected to be exercised	792,380	9,750,000	10,542,975

The Institute recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application.

Notes to the financial statements (continued)

	2023 ZMW	2022 ZMW

16. Deferred income

Non-Current		
Grants (i) and (ii)		
Opening balance	3,546,170	4,584,222
Additions	575,108	-
Transfer to Quality Control and Monitoring Unit reserve	-	(704,690)
Amortization	(908,470)	(333,362)
Closing balance	3,212,808	3,546,170

16.1 Deferred income

(i) The grant relates to funds received from Government of the Republic of Zambia in relation to the construction of the Institute's Head Office on plot 2374/a Thabo Mbeki Road. The grant is recognised in profit or loss on a systematic basis over the useful life of the asset.
(ii) The Institute received support in the form of a grant from the World Bank for the development of the curriculum for the Chartered Accountant (CA) Zambia program. The grant is recognised in the profit or loss on a systematic basis over a five year period.

17. Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Institute's revenue from contracts with customers.

For the year ended 31 December 2023

Segments	Subscriptions	Seminars	Examinations	Certification	Manuals	Total
Types of goods and services:	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Annual subscriptions:						
• Membership fees	17,732,776	-	-	-	-	17732,776
• Life insurance cover	3,490,348	-	-	-	-	3,490,348
• Magazines fees	96,213	-	-	-	-	96,213
Subscription arrears	1,238,300	-	-	-	-	1,238,300
Registration fees	4,599,266	-	-	-	-	4,599,266
Competence examination exams	-	-	395,420	-	-	395,420
Firm registrations fees	-	-	-	35,640	-	35,640
Practicing certificate fees	-	-	-	3,255,724	-	3,255,724
Exemption fees	-	-	547,165	-	-	547,165
Examination fees	-	-	13,556,048	-	-	13,556,048
Entry fees	-	-	1,129,089	-	-	1,129,089
Seminars & workshops	-	23,301,088	-	-	-	23,301,088
Manuals sales	-	-	-	-	1,532,738	1,532,738
Total revenue from contracts with customers	27,156,903	23,301088	15,627,722	3,291,364	1,532,738	70,909,815

Notes to the financial statements (continued)

					2023 ZMW	2022 ZMW
Timing of revenue recognition						
Transferred at a point in time	5,837,566	23,301,088	15,627,722	-	-	44,766,376
Services transferred over time	21,319,337	-	-	3,291,364	1,532,738	26,143,439
Total revenue from contracts with customers	27,156,903	23,301,088	15,627,722	3,291,364	1,532,738	70,909,815
Geographical markets						
Zambia	27,094,698	23,301,088	15,522,659	3,291,364	1,532,738	70,742,547
Zimbabwe	62,205	-	105,063	-	-	167,268
	27,156,903	23,301,088	15,627,722	3,291,364	1,532,738	70,909,815

				For the year ended 31 December 2022		
Segments	Subscriptions	Seminars	Examinations	Certification	Manuals	Total
	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Types of goods and services:						
Annual subscriptions:						
• Membership fees	15,764,130	-	-	-	-	15,764,130
• Life insurance cover	2,790,733	-	-	-	-	2,790,733
• Magazines fees	209,392	-	-	-	-	209,392
Subscription arrears	1,374,805	-	-	-	-	1,374,805
Registration fees	4,197,596	-	-	-	-	4,194,596
Competence examination exams	-	-	204,000	-	-	204,000
Firm registrations fees	-	-	-	66,500	-	66,500,
Practicing certificate fees	-	-	-	2,628,645	-	2,628,645
Exemption fees	-	-	647,171	-	-	647,171
Examination fees	-	-	12,394,267	-	-	12,394,267
Entry fees	-	-	927,431	-	-	927,431
Seminars & workshops	-	12,887,136	-	-	-	12,887,136
Manuals sales	-	-	-	-	1,706,247	1,706,247
Total revenue from contracts with customers	24,333,656	12,887,136	14,172,869	2,695,145	1,706,247	55,795,053
Timing of revenue recognition						
Transferred at a point in time	5,569,401	12,887,136	14,172,869	-	1,706,247	32,629,407
Services transferred over time	18,764,255	-	-	2,695,145	-	23,165,646
Total revenue from contracts with customers	24,333,656	12,887,136	14,172,869	2,695,145	1,706,247	55,795,053
Geographical markets						
Zambia	24,279,526	12,887,136	14,100,994	2,695,145	1,706,247	55,669,048
Zimbabwe	54,130	-	71,875	-	-	126,005
	24,333,656	12,887,136	14,172,869	2,695,145	1,706,247	55,795,053

Notes to the financial statements (continued)

	2023 ZMW	2022 ZMW
17. 1 Contract liabilities		
Contract liabilities	3,603,721	5,782,460

Contract liabilities are subscriptions received in advance and are recognised as services transferred over time.

Set out below is the amount of revenue recognised from:		
Amounts included in contract liabilities at the beginning of the year	5,782,460	5,444,502
Performance obligations satisfied in previous years	(5,782,460)	(5,444,502)
	-	-

Subscriptions received in advance
The performance obligation is satisfied over-time and payment is generally due upon commencement of the year and acceptance of the customer.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are, as follows:

Within one year	3,603,721	5,782,460
	3,603,721	5,782,460

All the other remaining performance obligations are expected to be recognised within one year.
Contract assets are initially recognised for revenue earned from services as receipt of consideration is conditional on successful completion of various services. Upon completion of various service and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. There were no contract assets during the period, hence no ECL was recognised as provision for expected credit losses on contract assets (2022: Nil).

18. Other income

Gain on fair value of right of use-investment property (note 15.2)	1,626,950	207,050
Sundry income	922,583	670,751
Gain on disposal of PPE	-	68,308
	2,549,533	946,109

19. Finance income

19. 1 Finance income
Income from financial instruments measured at amortised cost:

Bank deposits	440,677	419,913
Interest on staff loans and advances	87,681	48,281
	528,358	468,194

Income from financial instruments designated at FVOCI

Dividends received from equity investments	359,300	127,405
	887,658	595,599

19. 2 finance cost

Right of use asset	435,330	340,899
Motor vehicle	160,405	283,493
Total finance cost	595,735	624,392

20. Taxation

The Institute is exempt from taxation under the Income Tax Act Section 5 (I) of part III Second Schedule of CAP 323 of the Laws of Zambia.

Notes to the financial statements (continued)

	2023 ZMW	2022 ZMW

21. Surplus for the year has been arrived at after charging/(crediting):

Employee benefits expense	24,694,546	21,361,258
Amortisation of intangible assets	1,519,768	2,515,494
Depreciation of Property and equipment	1,217,056	1,056,433
Depreciation of right of use assets	882,970	765,687
Cost of inventories recognised as manuals expense	535,286	658,804
Finance cost	595,735	624,392
Exchange loss	591,456	58,095
Expected credit losses/reversal	66,471	(25,345)
Gain on disposal of property and equipment	-	(68,308)
Gain on fair value of right of use-Investment property	(1,626,950)	(207,050)
Finance income	(528,358)	(468,194)
	27,751,587	26,388,549

22. Employee benefit expenses

Salaries	20,741,875	17,869,200
Gratuity	3,952,671	3,492,058
	24,694,546	21,361,258

23. Related party transactions

The remuneration of key management personnel and Council and Committee members during the year was as follows:

Short term benefits	9,280,167	6,701,848
Post-employment benefits	2,320,042	1,873,685
	11,600,209	8,575,533

Loans to key management personnel	546,173	400,000
Council and committees expenses	622,715	489,167

Council and Committee members receive an honorarium of ZMW 600 (2022: ZMW 500) per sitting as part of cost recovery for the expenses they directly incur in discharging their duties for the Institute.

24. Financial instruments

Financial assets and financial liabilities

The Institute assessed that cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Institute based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2023, the carrying amounts ofsuch receivables, net of allowances, were not materially different from their calculated fair values.

Fair value of the quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Institute's principal financial instruments from which financial instrument risk arises are cash and cash equivalents,

Notes to the financial statements (continued)

	2023 ZMW	2022 ZMW

trade receivables, investment in quoted equity securities and trade and other payables.

Categories of financial instruments

31 December 2023	Amortised cost	Fair value through OCI	Total
Financial Assets	ZMW	ZMW	ZMW
Cash and bank balances	7,273,469	-	7,723,469
Staff loans and advances	1,305,561	-	1,305,561
Investment securities	5,203,678	-	5,203,678
Equity investments	-	5,496,031	5,496,031
	13,782,708	5,496,031	19,728,739
Financial liabilities			
Lease liabilities	3,239,789	-	3,239,789
Accounts payable	3,418,763	-	3,418,763
	6,658,552	-	6,658,552

Categories of financial instruments

31 December 2022	Amortised cost	Fair value through OCI	Total
Financial Assets	ZMW	ZMW	ZMW
Cash and bank balances	6,058,397	-	6,058,397
Staff loans and advances	1,144,396	-	1,144,396
Investment securities	5,342,392	-	5,342,392
Equity investments	-	3,263,503	3,263,503
	12,545,185	3,263,503	15,808,688
Financial liabilities			
Lease liabilities	3,520,540	-	3,520,540
Accounts payable	2,655,198	-	2,655,198
	6,175,738	-	6,175,738

25. Risk management

25. 1 Impairment assessment
The references below show where the Institute's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of material accounting policies.

25. 2 Definition of default and cure
The Institute considers a financial instrument defaulted and therefore state 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.
The Institute considers treasury balances defaulted and takes immediate action when the required intraday payments are not settled by the close of business as outlined in the individual agreements. As a part of a qualitative assessment of whether a customer is in default, the Institute also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Institute carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- Internal rating of the borrower indicating default or near-default
- The borrower having past due liabilities
- The borrower is deceased
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral

The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Notes to the financial statements (continued)

	2023 ZMW	2022 ZMW

The Institute's criterion for 'cure' for ECL purposes is less stringent than the 24 months requirement for forbearance.

25. Risk management (continued)

25. 3 The Institute's internal rating and PD estimation process

The Institute independently operates its internal rating models. Information sources are first used to determine the PDs within the Institute's IFRS 9 framework. The internal credit grades are assigned based on these rating agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information and the IFRS 9 Stage classification of the exposure.

25.4 Interbank relationships

The Institute's treasury, relationships and counterparties comprise financial services institutions. For these relationships, the Institute's analyses publicly available information such as financial information and other external data, e.g., the rating of rating agencies, and assigns the internal rating, as shown in the table below.

25. 5 exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 instrument, the Institute assesses the possible default events within 12 months for the calculation of the 12 months ECL. However, if a Stage 1 instrument that is expected to default in the 12 months from the balance sheet date and is also expected to cure and subsequently default again, then all linked default events are taken into account. For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Institute determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of Institute's models

25. 6 Loss given default (LGD)

For corporate and investment banking financial instruments, LGD values are assessed at least every three months by the Institute. The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

Further recent data and forward-looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on a minimum of two possible scenarios. Examples of key inputs involve changes in, collateral values, payment status or other factors that are indicative of losses. The Institute estimates regulatory and IFRS 9 LGDs on a different basis. Under IFRS 9, LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI IFRS 9 segment of each asset class. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries.

25. 7 Significant increase in credit risk

The Institute continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or LTECL, the Institute assesses whether there has been a significant increase in credit risk since initial recognition. The Institute considers an exposure to have not significantly increased in credit risk when the IFRS 9 lifetime PD has not doubled since initial recognition.
The Institute also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a facility to the watch list, or the account becoming forborne. In certain cases, the Institute may also consider that events are a significant increase in credit risk as opposed to a default. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECL on a collective basis for a group of similar assets, the Institute applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition

25.8 Grouping financial assets measured on a collective basis

The Institute calculates ECLs either on a collective basis or an individual basis.
The asset classes where the Institute calculates ELCs on an individual basis include:

- All stage 3 assets, regardless of the class of financial assets
- The investment portfolio

Assets classes where the Institute calculates ECL on a collective basis include:

Notes to the financial statements (continued)

	2023 ZMW	2022 ZMW

- Stage 1 and 2 investments

The Institute groups these exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans.

- Product type
- Internal grade
- Exposure value

25. 9 IFRS 9 Sensitivity analysis

The sensitivity analysis of the significant input in the IFRS 9 model are analysed below as at 31 December 2023.

Sensitivity of key inputs	Changes in key inputs	Impact on profit for the year
Probability of default	+10%	162,883
Recovery rate	-0.05%	-
Loss given default	50%	6,838
Effective interest rate	+3%	4,886
Tenor	+6 month	(2,443)
	-6 month	2,443

The sensitivity analysis of the significant input in the IFRS 9 model are analysed below as at 31 December 2022.

Sensitivity of key inputs	Changes in key inputs	Impact on profit for the year
Probability of default	+10%	121,090
Recovery rate	-0.05%	-
Loss given default	50%	4,811
Effective interest rate	+3%	4,972
Tenor	+6 month	(3,036)
	-6 month	3,036

25. 10 credit risk

Credit risk is the risk of financial loss of the Institute if a counterparty to a financial instrument defaults on contractual obligations. The Institute is subject to credit risk through its trading and investing activities. The Institute's primary exposure to credit risk arises through its investment securities, cash deposits and cash equivalents. The Institute evaluates counterparties for credit worthiness where credit risk arises and there are no credit ratings readily available. The counterparties for investment securities and cash equivalents are Bank of Zambia (BOZ) and commercial banks licensed by Bank of Zambia.

The Institute does not hold any collateral to cover its credit risk associated with accounts receivables in respect of staff loans and advances except that the credit risk is mitigated by ensuring that staff loans and advances do not exceed the gratuity payable to employees. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to risk at the reporting date was:

Investment securities	5,203,678	5,342,392
Staff loans and advances	1,305,561	1,144,396

All financial assets at the end of the reporting period were neither past due nor impaired.

Notes to the financial statements (continued)

	2023 ZMW	2022 ZMW

25. 11 Liquidity risk

Liquidity risk arises in the general funding of the Institute's operations. It includes both the risk of being unable to fund financial liabilities when they mature and the risk of being unable to liquidate financial assets at close to their fair value. The Institute manages liquidity risk by maintaining adequate reserves, monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following are the contractual maturities of financial assets and liabilities.

31 December 2023	Carrying amount	Contractual cash cash flow	Within 1 year	1-2 years	2-5 years	Longer than 5 years
Assets	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Cash and bank balances	7,273,469	7,273,469	7,273,469	-	-	-
Staff loans and advances	1,305,561	1,305,561	1,063,971	241,590	-	-
Investment securities	5,203,678	5,203,678	5,203,678	-	-	-
Equity investments	5,496,031	5,496,031	-	-	-	5,496,031
	19,278,739	19,278,739	13,541,118	241,590	-	5,496,031

	Carrying amount	Contractual cash cash flow	Within 1 year	1-2 years	2-5 years	Longer than 5 years
Liabilities	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Lease liabilities	3,239,789	3,239,789	754,593	1,212,405	799,246	473,545
Accounts payable	3,418,763	3,418,763	3,418,763	-	-	-
Investment securities	6,658,552	6,658,552	4,173,356	1,212,405	799,246	473,545
Gap			9,367,762	(970,815)	(799,246)	5,022,486
Cumulative gap			9,367,762	8,396,947	7,597,701	12,620,187

31 December 2022	Carrying amount	Contractual cash cash flow	Within 1 year	1-2 years	2-5 years	Longer than 5 years
Assets	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Cash and bank balances	6,058,397	6,058,397	6,058,397	-	-	-
Staff loans and advances	1,144,396	859,188	859,188	285,208	-	-
Investment securities	5,342,392	5,342,392	5,342,392	-	-	-
Equity investments	3,263,503	3,263,503	-	-	-	3,263,503
	15,808,688	15,808,688	12,259,977	285,208	-	3,263,503

	Carrying amount	Contractual cash cash flow	Within 1 year	1-2 years	2-5 years	Longer than 5 years
Liabilities	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Lease liabilities	3,520,540	3,520,540	390,997	1,031,203	995,081	1,103,259
Accounts payable	2,655,198	2,655,198	2,655,198	-	-	-
Investment securities	6,175,738	6,175,738	3,046,195	1,031,203	995,081	1,103,259
Gap			9,213,782	(745,995)	(995,081)	2,160,244
Cumulative gap			9,213,782	8,467,787	7,472,706	9,632,950

Notes to the financial statements (continued)

	2023 ZMW	2022 ZMW

25. Risk management (continued)

25.12 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial Instrument will fluctuate because of changes in foreign exchange rates. The Institute's exposure to the risk of changes in foreign exchange rates relates primarily to the Institute's operating activities (when revenue or expense is denominated in a different currency from the Institute's presentation currency).The Institute manages its foreign currency risk by maintaining a balance between foreign assets and liabilities that are
expected to occur within a maximum 24 month period.

Foreign currency sensitivity

The following tables demonstrates the sensitivity to a reasonable possible change in USD exchange rates, with all other variables held constant. The impact on the Institute's surplus is due to changes in the fair value of monetary assets and liabilities.

Sensitivity analysis	Assets	Liabilities
2023		
Total foreign exposure in USD	10,480	12,600
Change in USD	+0.2	+0.2
Effect on profit	2,096	(2,520)
Effect on equity	2,096	(2,520)

Sensitivity analysis	Assets	Liabilities
2022		
Total foreign exposure in USD	10,500	51,000
Change in USD	+0.2	+0.2
Effect on profit	2,100	(10,200)
Effect on equity	2,100	(10,200)

Interest rate risk

The Institute's operations are subject to the risk of interest rate fluctuations to the extent that bearing that interest earning assets and interest bearing liabilities mature at different times and in different amounts. The Institute is exposed to interest rate risk to the extent of the balances of the bank accounts. The Institute manages its Assets and Liabilities within its sensitivity to the interest rate changes. The Institute does not have interest bearing facilities with the banks.

25. 13 Price risk

Price risk is the risk that the value of a security or portfolio of securities will fluctuate in future. The Institute holds financial assets which are subject to price risk.
The sensitivity analysis has been determined based on the exposure to equity price risks at the end of the reporting period. If the equity prices had been 5% higher/lower;

(i) The surplus for the year ended 31 December 2023 would have been unaffected as the equity investments are classified as fair value through OCI; and
(ii) Other comprehensive income for the year ended 31 December 2023 would decrease by ZMW 2,232,528 (2022: ZMW 858,081) as a result of changes in fair value of available for sale shares.

The Institutes sensitivity to equity prices has not changed significantly from the prior year.

25. 14 Fair value measurement hierarchy for assets as at 31 December 2023:

The table below analyses assets measured at fair value at the end of the reporting period, by the level in the fair value

Notes to the financial statements (continued)

	2023 ZMW	2022 ZMW

hierarchy into which the fair value of the asset is categorised.

31 December 2023	Level 1	Level 2	Level 3	Total
	ZMW	ZMW	ZMW	ZMW
Equity investment	5,496,031	-	-	5,496,031
Right of use-Investment property	-	28,448,778	-	28,448,778
	5,496,031	28,448,778	-	33,944,809

31 December 2022	Level 1	Level 2	Level 3	Total
	ZMW	ZMW	ZMW	ZMW
Equity investment	3,263,503	-	-	3,263,503
Right of use-Investment property	-	26,821,828	-	26,821,828
	3,263,503	26,821,828	-	30,085,331

For the properties categorised in level 2 of the fair value hierarchy, their fair values were derived using the market comparable approach based on recent market prices without significant adjustments being made to the market observable data. The fair value of the Institute's properties are categorised into the level 2 of the fair value hierarchy.

25.15 Set out below is a comparison, by class, of the carrying amounts and fair values of the Institute financial instruments.

31 December	2023 Carrying amount	2023 Fair value	2022 Carrying amount	2022 Fair value
	ZMW	ZMW	ZMW	ZMW
Equity investments	5,496,031	5,496,031	3,263,503	3,263,503
Staff loans and advances	1,305,561	1,305,561	1,144,396	1,144,396
Other receivables	279,254	279,254	177,614	177,614
Investments and securities	5,203,678	5,203,678	5,342,392	5,342,392
Cash and cash equivalents	7,273,469	7,273,469	6,058,397	6,058,397
Total	19,557,993	19,553,993	15,986,302	15,986,302

26. capital commitments
The capital commitments approved by the Council as at 31 December 2023 were ZMW 2,000,000 (2022: ZMW 2,000,000). The capital commitments relate to the initial proposed development of Livingstone Lot No.19912/M, Farm No.9012 and the Office complex along Thabo Mbeki road. The Institute intends to develop a convention Centre in Livingstone and a multi-use facility in Lusaka.

27. Contingent liabilities
There were no contingent liabilities as at 31 December 2023 (2022: Nil).

28. Events after the reporting date
As at the date of signing of these financial statements, there were no material facts or circumstances that occurred between the accounting date and the date of approval of the financial statements which may require adjustment to or disclosure in these financial statements.

29. Comparative figures
Where necessary comparatives for 2022 have been reclassified to have meaningful comparison with the current year.

Appendix 1: Detailed statement of expenditure

	2023 ZMW	2022 ZMW
Operating expenses		
Seminars and workshops	14,320,532	7,015,078
Examinations expenses	7,466,943	6,549,874
Advertising and publicity	2,607,080	1,520,565
Travel – foreign	2,457,323	737,803
Motor vehicles expense	1,855,802	1,160,738
Insurance	1,586,612	1,200,465
AGM expense	1,571,848	780,414
Staff welfare	1,380,868	1,239,174
Subscriptions	1,358,840	1,191,303
Travel – local	1,210,853	684,195
Printing and stationery	1,059,532	524,295
Professional fees	1,032,849	736,634
ICT expense	709,286	882,504
Council and committee expenses	622,715	489,167
Exchange loss	591,456	58,095
Manuals	535,286	658,804
Office expense	530,123	471,617
Bank charges	479,973	582,287
External audit fee	352,716	500,204
Staff training and development	321,092	519,321
Electricity and water	314,965	230,056
Repairs and maintenance	276,377	586,856
Graduation expense	268,774	242,327
Postage	235,187	156,507
Publication costs of Accountant magazine	234,561	221,520
Telephone	217,126	221,934
Security expenses	153,968	151,695
Competency exams	145,200	80,655
Discount allowed	109,845	102,983
Internal audit fee	109,620	109,620
Corporate social responsibility	97,330	
Inspection costs	35,560	-
Rates and taxes	6,323	73,615
Monitoring expenses	2,260	-
Covid-19 expense	-	33,236
Donations	20,000	20,000
Inventory write down	-	1,481
	44,278,825	29,735,022
Depreciation, amortisation and impairment		
Amortisation of development costs	1,519,768	2,515,494
Depreciation of assets	1,217,056	1,056,433
Depreciation of right of use assets	882,970	765,687
	3,619,794	4,337,614
Employee benefits expense		
Salaries	20,741,875	17,869,200
Gratuity	3,952,671	3,492,058
	24,694,546	21,361,258
Finance cost	595,735	624,392
Expected credit losses	66,471	(25,345)
	73,255,371	56,032,941

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