Zambia Institute of Chartered Accountants

2024 ANNUAL REPORT

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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.

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 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
- **SETTING STANDARDS**
  Setting ethical, auditing and accounting standards
- **EDUCATE AND TRAIN**
  Education and training of Accountants and registration of students
- **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 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.

Assessment of Candidates

The Institute manages examinations in all its qualifications. Examinations are held four times a year in March, June, September and December each year. Candidates with foreign accountancy qualifications are also assessed in the local tax and law examinations.

Award of Qualifications

In fulfilment of its mandate to educate and train Accountants the Institute awards qualifications in Diploma in Accountancy, Diploma in Taxation and Diploma in Public Sector Financial Management. The Institute also offers the Chartered Accountant (CA) Zambia qualification, an internationally recognized qualification, as a gateway to Chartered Accountancy

PHOTO FOCUS - THE YEAR IN REVIEW

Provinical Minister- Southern Province Hon. Credo Nanjuwa officially opened the 2024 Annual Business Conference (ABC) held at Avani Victoria Falls Resort in Livingstone.

ZiCA President Mrs Yande Siame Mwenye and Council Member Mr. Mulendo Siame during the 18th Graduation Ceremony.

ZiCA Vice President Joseph Matimba led a tree planting exercise, planting 100 fruit trees in Kabwangathe, as part of the Zambia Institute of Chartered Accountants' (ZiCA) International Accounting Day celebrations and broader financial literacy program.

ZiCA Council Members posing for a photo with former IFAC President Ms. Asmaa Resmouki. In the Picture is former ICAM President Mr. Moffat Ngalande and former ZICA President Mrs Cecilia Zimba.

Official launch of the CA Leadership Masterclass officiated by the Institute of Chartered Accountants Zimbabwe (ICAZ) CEO Mr. William Mandisodza and the ZiCA President Mrs. Yande Siame Mwenye.

ZiCA President Mrs Yande Siame Mwenye and ZiCA Vice President Mr Joseph Matimba during the handover ceremony of the rehabilitated dining hall and Donation of 25 Desks at Ngombe Community School in Lusaka.

ZiCA President Mrs Yande Siame Mwenye officially opened the 2024 student conference held in Kitwe.

ZiCA
Competence, Integrity and Virtue
Zambia Institute of Chartered Accountants

UNLOCK YOUR
Opportunities

Enjoy exclusive ZICA member benefits

Become a member

CONTACT DETAILS:

Lusaka Office
Email : membership@zica.co.zm

Kitwe Office
Email: kitwe@zica.co.zm

CONTACT CENTRE:

Call: 1982
(On Zamtel, Airtel & MTN networks)

ZICA is a member of:

Chartered Accountants Worldwide | Difference Makers
IFAC International Federation of Accountants
PAFA

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OPERATIONAL HIGHLIGHTS

The 2024 Annual Report highlights a year of robust performance and strategic growth. The report also underscores ZICA's commitment to ethical standards and its pivotal role in shaping the accounting profession in Zambia.

ZICA PRESIDENT'S REPORT

I am delighted to present the Zambia Institute of Chartered Accountants (ZICA) Annual Report for the financial year ended 31st December 2024. The year 2024 was marked by significant achievements and progress in our mission to advance the accounting profession in Zambia despite facing challenges such as high inflation, increased fuel prices, and frequent load shedding.

Mrs. Yande Siame Mwenye

Performance of the Global Economy

The global economy declined to 3.1% in 2024 from 3.3% in 2023, owing to the subdued growth in the major advanced economies. In 2023, Zambia outperformed both regional and global growth levels. However, this growth contracted in 2024 before rebounding in 2025. The region has continued to remain vulnerable to external shocks, climate conditions and political instability. These factors, coupled with commodity price volatility, are likely to influence inflation movements.

i. Region

Growth in sub-Saharan Africa is projected at 3.6% in 2024, unchanged from 2023, with a modest increase to 4.2% in 2025.

Macroeconomic vulnerabilities persist and inflation remains high in many countries, while elevated public debt and rising debt service costs are crowding-out resources for development spending.

ii. Performance of the National Economy

The impact of climate change on energy and agricultural sectors has led to significant effects of the overall economic growth for 2024 growth declined to 2.3% compared to 5.4% recorded in 2023. The drought-induced power deficit negatively impacted industrial productivity with the Purchasers Managers' Index ranging below the 50 mark since the beginning of 2024.The agricultural sector too has suffered from inconsistent rainfall patterns, as maize production reduced from 3.3MT during the 2022/23 farming season to 1.5MT in the 2023/24 farming season.

Performance of the Institute

Financial Performance

During the year under review, the Institute recorded a total income of ZMW 86.533 million. The total expenditure for the year was ZMW 84.855 million. The surplus for the year was ZMW 1.678 million.

The Institute reported a revenue increase of 15% compared to the previous year. Further, in line with improving customer centricity, the Institute commenced its digital transformation agenda and concluded the procurement process for the development of an Enterprise Resource Planning System (ERP). The ERP is at user acceptance testing stage. Once fully implemented the ERP is expected to significantly improve the operations of the Institute.

The Institute continued to cement its collaborations with other professional bodies. The Institute was delighted to host the International Federation of Accountants (IFAC) President, Ms. Asmaa Resmouki, who graced the Zambia Institute of Chartered Accountants (ZICA) Pre Annual General Meeting (AGM) in 2024. During the event, she delivered a keynote address on "Accounting for Sustainability: The Role of an Accountant in Driving Positive Change for Long-Term Value.

In addition, the Institute attended the 47th International Federation of Accountants (IFAC) Ordinary Council Meeting in Paris, France from 6 to 7 November 2024. At this meeting, the new IFAC President Mr. Jean Bouquot was elected replacing Ms. Asmaa Resmouki who held office from 2022 to 2024.

During this meeting IFAC awarded Ms. Sheila Fraser and Dr. Andreas Bergman with the IFAC Global Leadership Award for their distinguished and outstanding service to the growth of the Accountancy Profession. Ms. Fraser is former Auditor General for Canada and former IPSAB Chairperson. On the other hand, Dr. Bergmann is also former IPSAB Chairman and also served as IFRS Foundation Vice Chair.

On day two of this gathering, a thought leadership workshop was held focusing on latest developments in standard setting, AI, Sustainability and innovation. IFAC boasts of 180 professional Accountancy Organisations (PAOs) membership from over 135 jurisdictions.

In view of the foregoing, I am delighted to report that the Institute continued to promote the adoption of the International Sustainability Standards Board's (ISSB) Sustainability Disclosure Standards, IFRS S1 and S2, as well as the Integrated Reporting Framework. These frameworks will provide a robust foundation for setting benchmarks, aligning with national and international goals, and promoting transparency and accountability. This alignment will also bolster investor confidence, positioning Zambia as a leader in sustainable business practices.

On 10th November 2024, the Institute commemorated the International Accounting Day with focus on sustainability by planting 100 fruit trees at Kabwanga Secondary School in Mumbwa District. The initiative accentuated our commitment to broader ESG issues.

As part of its commitment to societal development, the Institute continued its Corporate Social Responsibility (CSR) initiatives in 2024. A notable highlight was the donation of desks and the rehabilitation of a dining hall at Ng'ombe Community School as part of the Women's Day celebrations.

Compliance Visits

The Institute carried out one hundred and twenty-seven (127) compliance visits for 2024 in Eastern, North-western, Northern, Southern and Western 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.

Long Term Sustainability

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

The Institute continued engaging the strategic partner in the development of SNICC after signing the Memorandum of Understanding. The engagements included enhancing the concepts of the conference Centre and the 300-key- 3 star hotel.

The Institute further contracted Consultants on the SNICC project. The Consultants included the Project Manager who are the Architects, the Quantity Surveyor, Structural Engineers and Electrical Engineers.

The feasibility and viability reports for SNICC were further updated culminating into a refined Business Plan. The Institute was in the process of submitting bids for financing to selected financiers during the period under review.

(ii) Development of the Office complex at the Accountants Park

During the period under review, the concept for the development of the Accountants Park was revised further to include development of smaller units comprising two storey buildings.

The commencement of the developments awaited the consent from the Agricultural and Commercial Show Society.

Presidents Media Briefings

During the period under review, the Institute held four (4) 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 a number of key issues including:

- Debt Restructuring Agreements and Contraction Tax Amendment Bills
- Monetary Policy Rate Increase and Impact on Inflation Sustainability Matters
- The Energy Crisis
- Zambia Private Sector Diagnostic by International Finance Cooperation (IFC)
- Updates From the Institute

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 2025.
- Protocol amending the agreement for the establishment of the Inter Government Standing Committee on Shipping (ISCOS).
- Amended 2024 Annual Borrowing Plan for the financial year 2024.
- Mid-year budget performance report for 2024.
- The 2025 – 2027 medium-term budget
- plan and the 2025 green paper.
- 2025 Budget Microeconomic and Fiscal Flamework.
- The 2025 Annual Borrowing Plan.
- Budget Analysis – Office of the Auditor General.
- Budget Analysis – Ministry of Infrastructure, Housing and Urban Development.
- Property Transfer Tax (amendment) bill no. 27 of 2024.
- Consideration of the Customs and Excise (amendment) bill no. 24 of 2024; the Zambia Revenue Authority (amendment) bill no. 26 of 2024; the Value Added Tax (amendment) bill no.25 of 2024
- The Zambia Qualifications Authority (ZAQA) bill No.7 of 2024

Auditor Rotation

The Institute took advantage of the amendments to the Companies Act that Patents and Companies Registration Agency undertook to amend the provisions relating to auditor rotation. The Institute submitted amendments to be made to this provision so that auditor rotation should be based on the engagement partner and not on the firm. It is expected that the amendments to the Companies Act will take effect soon.

Accountants Bill

The Minister of Finance has granted approval for the Accountants Bill to be submitted to the Ministry of Justice to commence the enactment process following resolution of the conflicts with the Internal Auditors Bill. The Bill will now be submitted by Ministry of Finance to Ministry of Justice to commence the internal vetting process. The Bill will then be reviewed by the Cabinet Legislative Committee following which the Bill will be submitted to Parliament for enactment.

Tenure of Council

The tenure of office of the Council member Mr. Mulendo Siame has come to an end after serving diligently on Council. We would like to extend our appreciation for his significant contribution to the service of the Institute.

Acknowledgments

The Institute has achieved significant success in 2024, thanks to the visionary leadership of the ZICA Council, the dedication of our members, the support of stakeholders, and the hard work of management and staff. The Institute's growth and success are attributed to their commitment to excellence, hard work, resilience, and innovation. As the year progresses, we remain resolute and confident that the Institutes collective efforts will propel it towards even greater achievements in 2025.

Sincerely,

Yande Siame Mwenye
PRESIDENT

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STRATEGY & PERFORMANCE

In 2024, the Zambia Institute of Chartered Accountants (ZICA) focused on several strategic initiatives to strengthen the regulation of the accountancy profession including enhanced compliance monitoring, capacity building, stakeholder engagement, technology integration and ethical standards.

CHIEF EXECUTIVE OFFICER'S REPORT

I am pleased to share the information on remarkable progress by the institute in the year 2024. The year 2024 was period of strategic growth, resilience, and excellence, thanks to the unwavering commitment of our members, students and all our stakeholders.

MR. ANTHONY BWEMBYA

In the quest to promote excellence and integrity within the accountancy profession the Institute maintained strict regulatory compliance, conducting audit monitoring reviews and enforcing ethical standards among its members. During the period under review, the Institute took significant measures to strengthen enforcement. We implemented stricter compliance checks and increased the frequency of compliance visits to ensure adherence to professional standards. Erring members were disciplined in accordance with our regulations, reinforcing our commitment to maintaining the highest levels of integrity and professionalism.

In 2024, the Institute continued to prioritize Continuous Professional Development (CPD) for its members. We prioritized professional development, offering a range of programs and workshops designed to enhance the skills and knowledge of our members. These initiatives were aligned with our strategic plan and were aimed at ensuring that our members were kept abreast with contemporary issues in the accountancy profession. Further, the institute conducted two (2) Competence Practice Examinations for members who intended to obtain practice certificates.

The Institute successfully held four (4) examination sessions with a total of 1018 graduates in all qualifications. This success is a reflection of the hard work and dedication of our students and the support provided by our approved utuition providers. Our strategic partnerships with approved universities and colleges have been instrumental in our success.

To maintain the high standards of the ZICA qualifications and to churn out graduates that are well-prepared for the challenges of the modern accounting landscape, we undertook curricula review for the ZICA qualifications CA Zambia, Diploma in Taxation and the Diploma in Accountancy. I wish to inform you that the Diploma in Taxation was enhanced to Postgraduate Diploma in Taxation (PGDT) and the curriculum was accredited and registered by the Higher Education Authority (HEA).

As we move forward, I urge all members to continue upholding our core values of professionalism, integrity, accountability, customer centric, innovation and excellence These principles are at the core of our profession and are essential for our continued success. Let us build on the achievements of 2024 and strive for even greater heights in the coming year.
Thank you for your dedication and support.

Anthony Bwembya
Chief Executive Officer

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FINANCIAL & OPERATIONAL REVIEW

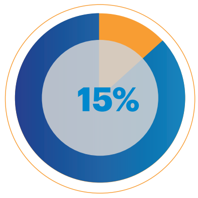
The financial review highlights ZICA's income, expenditure, and surplus for 2024. Operationally, the Institute achieved key milestones in compliance monitoring, membership services, and the continuous professional development of its members.

FINANCIAL HIGHLIGHTS

During the year under review, the Institute recorded a total income of ZMW 86.533 million. The total expenditure for the year was ZMW 84.855 million. The surplus for the year was ZMW 1.678 million.

Income

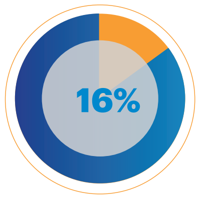
The total income for the year was ZMW 86.533 million against a budget of ZMW 75.299 million. The income for the year was higher by 15 percent when compared to 2023 actual income. The increase was mainly attributed to the high number of members who paid subscription fees and students who paid examination fees.



Higher compared to 2023 actual income

Expenditure

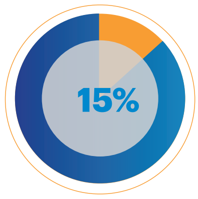
The total expenditure incurred for the year was ZMW 84.855 million against a budget of ZMW 72.805 million. The expenditure was higher by 16 percent when compared to 2023 actual expenditure. The increase in expenditure was mainly attributed to inflation, exchange rate, and further, office expenses increased due to increased fuel purchases as a result of sustained load management..



Higher compared to 2023 actual expenditure

Surplus

The Institute achieved a surplus of ZMW 1.678 million against a budget of ZMW 2.493 million. The surplus was lower than the budget mainly due to the high operational costs.



Lower compared to 2023 actual surplus

HIGHLIGHTS

ZMW 86.533M	ZMW 84.855M	ZMW 1.678M
TOTAL INCOME	**TOTAL EXPENDITURE**	**SURPLUS**

HUMAN RESOURCE HIGHLIGHTS

During the period under review, the Institute sepeareted with Mr. Quincy Kabamba, ICT officer while new employees recruited were Mr. Geoffrey Nkhoma (Financial Accountant), Ms. Precious Tembo (Assistant Management Accountant) and Mr. Chisomo Zulu (ICT Officer)

Mr. Geoffrey Nkhoma
Financial Accountant

Ms. Precious Tembo
Assistant Management Accountant

Mr. Chisomo Zulu
ICT Officer

MEMBERSHIP AND CORPORATE SERVICES HIGHLIGHTS

Registration of Members

The number of registered members for the year ended 31st December 2024 was 8,566. The number of registered members for 2024 was 8566 compared to the numbers of 8430 in 2023 representing a retention rate of 93%

Category	2024	2023	Variance
Fellow	1,842	1,763	79
Associate	855	876	(21)
Graduate	877	860	17
Licentiate	2,618	2,529	89
Technician	2,374	2,402	(28)
Total	**8,566**	**8,430**	**136**

Pre-Annual General Meeting Workshop

In the year under review, the 39th Annual General Meeting (AGM) and Pre-AGM workshop of the Zambia Institute of Chartered Accountants was held from 17th - 19th July 2024, at Avani Resort and Radisson Blu Hotel in Livingstone under the theme: “The road to economic resurgence through diversification”. The Pre-AGM workshop was attended by 1,380 participants compared to 1, 742 participants who attended the event in the year 2023.

2025 National Budget Submissions

During the year under review, ZICA made a submission on the Tax and Non-Tax 2025 Budget proposals to the Ministry of Finance and National Planning on 3rd May 2024. Further, the Institute took part in the stakeholders’ engagement meeting organised by Ministry of Finance and National Planning on the 2025 budget proposals on 7th June 2024. The engagement meeting was attended by Ministry of Finance and National Planning, Ministry of Commerce, ZRA and Bank of Zambia.

2025 National Budget Analysis Dinner

The Institute held the 2025 National Budget Analysis Dinner on 27th September 2024 at Mulungushi international Conference Centre in Lusaka with 650 participants in attendance.

Annual Business Conference (ABC)

The Institute held the Annual Business Conference (ABC) from 9th-11th October 2024 in Livingstone at Avani Victoria Falls Resort with an attendance of 605 participants.

Member Chapters

The institute’s membership chapters remained active, contributing to professional engagement and community support. The Southern Province Chapter held its inaugural Annual General Meeting and demonstrated corporate social responsibility by donating K30,000 to St. Mulumba Special Needs School in Choma. Meanwhile, the Eastern Province Chapter participated in outreach activities, by engaging potential students at the Ncwala Traditional Ceremony. The Forum for Zambia Women Accountants (FZWA) Zone 4, with support from Zambia Sugar PLC, hosted a breakfast meeting at Nakambala Training Centre in Mazabuka on August 2, 2024. The Institute continued to provide necessary support to chapters seeking assistance in various capacities, reinforcing its commitment to regional development and member engagement..

These technical workshops are essential for providing professionals with up-to-date industry insights and practical skills. They ensure our members remain leaders in the accountancy profession, equipped to excel in a dynamic and competitive landscape.

Continous Professional Development

Technical Advice and Guidance

The Institute continued to provide technical advice to members on various technical accounting matters affecting them.

TAX Update Workshop

During the year under review, two tax update workshops were held as scheduled in Lusaka at Intercontinental Hotel, Lusaka and Kitwe at Garden Court Hotel. The workshops were aimed at updating members on the upcoming tax legislation and upskill their taxation know-how to enable them apply 2025 tax legislation correctly. The workshops were attended by a total of 545 participants.

International Public Sector Accounting Standards (IPSAS) workshop

The IPSAS workshop was held on 27th and 28th March 2024 at Avani Victoria Falls Resort in Livingstone. The workshop was attended by 398 participants. The event was intended to promote the implementation of IPSAS accrual basis of accounting in Zambia and update members in the public sector on the latest developments on IPSAS.

2024 International Financial Reporting Standards (IFRS) Update Workshops

The Institute held two IFRS updates workshops in Lusaka from 7th – 8th November 2024 at Radisson Blu Hotel and 14th - 15th November 2024 at Protea Hotel in Ndola with a combined attendance of 181 participants. Some of the updates discussed included the Impact of IFRS S1 and S2 on reporting and IFRS 17 Post-Implementation Insights on Judgements and Disclosures.

Sustainability Training Workshop

The Institute held the Sustainability Training Workshop from 16th and 17th September 2024 in Lusaka at Mulungushi International Conference Centre in Lusaka with an attendance of 138 participants.

Chief Finance Officers Forum

The Chief Financial Officer's Workshop was held on Friday, 14th June 2024 at Radisson Blue Hotel in Lusaka. The workshop had a total of 84 participants from various organisations.

National Auditors Conference

The National Auditors Conference was held from 5th and 6th December 2024 at Avani Victoria Falls Resort in Livingstone under the theme "Elevating Assurance and Consultancy with Digital, Ethical, and Environmentally Sustainable Strategic Insights". The workshop had a total of 114 participants from various organisations.

Forensic Audit Training Workshop

The Forensic Audit Training Workshop was held on 16th and 17th May 2024 at Savee Beach Siavonga Resort in Siavonga. The workshop had a total of 127 participants from various organizations.

Leadership Conference

The Leadership Conference was held on 9th and 10th December 2024 at Pamodzi Hotel in Lusaka. The workshop had a total of 59 participants from various organizations

Business Development and Corporate Services

Marketing ZICA Qualifications and Stakeholder Engagements

The Zambia Institute of Chartered Accountants (ZICA) conducted an extensive marketing campaign to promote its qualifications and membership compliance, utilizing platforms such as Social media, TV, Radio and Print Media, ensuring coverage across Zambia and leveraging the station's wide reach and trusted status.

The Institute rolled out the "Seeing Numbers" digital campaign on Facebook targeted Generation Z, highlighting the diverse career opportunities in accounting and aimed at demystifying the myth that accounting is all about the numbers but also about growth, good lifestyle, travel and many more opportunities.

In addition, the Institute participated in the 58th Zambia International Trade Fair and the 96th Agricultural and Commercial Show, showcasing its services and engaging stakeholders. These events attracted over 190 visitors, generating inquiries on various matters relating to the Institute, with a notable interest in CA Zambia qualifications. ZICA provided on-the-spot pre-registration and subscription information, showcasing its commitment to responsive service delivery.

Secondary School and University Engagements

In the year under review, the Institute actively engaged secondary school and university students to promote the CA Zambia program and enhance awareness of ZICA qualifications. Career talks were conducted at 36 secondary schools across the Copperbelt, Eastern, Southern, and Central Provinces. Additionally, K1,000 was awarded to top-performing pupils in Principles of Accounting from various schools. At the university level, presentations were delivered to students at UNZA, UNILUS, ZCAS, Chalimbana, Rockview, and Mulungushi University, emphasizing the benefits of student membership and exemption opportunities for the CA Zambia programme. The Institute also participated in graduation ceremonies at various universities, awarding scholarships to top Bachelor of Accounting graduates for the advisory level of the CA Zambia Qualification. Regional partnerships were strengthened through an Open Day held in Zimbabwe.

Corporate Social Responsibility

As part of its commitment to societal development, the Institute continued its impactful Corporate Social Responsibility (CSR) initiatives in 2024. A notable highlight was the donation of desks and the rehabilitation of a dining hall at Ng'ombe Community School as part of the Women's Day celebrations. The donation aimed to address the critical shortage of infrastructure at the school, improving the learning environment for students. These efforts reflect ZICA's dedication to enhancing education and empowering underprivileged communities, aligning with the broader mission of contributing to Zambia's socio-economic development.

Commemoration of International Accounting Day

The Institute commemorated the International Accounting Day on 10th November through an exhibition at East Park Mall where members of the public had the opportunity to learn about the history of the accounting profession and the role of ZICA. The institute also planted 100 fruit trees at Kabwanga Secondary School in Mumbwa District. The initiative was part of the Institute's role in promoting sustainability and Accounting Day.

International Collaboration

The Institute continued to work closely with the Chartered Accountants Worldwide (CAW) through regular virtual meetings and the physical CEOs meeting that took place in Paris, France. The Institute was unable to send a representative at the One Young World Summit in Canada due to visa challenges, the Institute however remains committed to leveraging international platforms to foster collaboration and professional growth.

ZICA President's Press Briefing

In the period under review, the Institute held the four (4) Media Briefing on various national matters of public interest including debt restructuring, anti-corruption efforts, and illicit financial flows, reinforcing its role in advising the government on economic matters.

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 Certificate in Accountancy	50.4%	69%	61.7%	60.1%
CA Application Advanced Diploma in Accountancy	40.9%	47.8%	33.3%	37.1%
CA Advisory Professional in Accountancy	39.5%	36%	37.3%	28.6%
Diploma in Accountancy Level 1	43.6%	62.1%	57.5%	45.2%
Diploma in Accountancy Level 2	32.5%	36.1%	29.4%	40.1%
Certificate in Taxation	N/A	65.2%	N/A	78.6%
Diploma in Taxation	N/A	66.1%	N/A	56.2%
Diploma in Public Sector Financial Management	N/A	81.8%	N/A	100%

Practical Training

Two hundred and twenty (220) CA Zambia trainees commenced the CA practical training programme bringing the total number of trainees on practical training to 616 as at 31st December 2024 after eighty (80) trainees completed the training. The 80 trainees became CA (ZM) designates. Approved Employers where employees completed the training included, Office of the Auditor General, NAPSA, The Judiciary, PKF Zambia Chartered Accountants, Ministry of Finance and BDO Zambia. The 80 new CA (ZM) designates are now Associate members of ZICA and brings the number of CA Zambia designates to 180 as at 31st December 2024.

During the period under review, thirteen (13) Memoranda of Understanding (MoUs) were signed with employers, bringing the accumulated number of Approved Employers to ninety-seven (97). One hundred and nine (109) mentors were accredited to provide mentorship to trainees bringing the total number of mentors to six hundred and one (601).

Learning materials/support

During the period under review, ZICA continued to promote the sale of e-books and sold 1,522 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 techniques videos to assist learners in understanding how to tackle examination questions.

The Institute also continued to provide access to examiners reports to improve the confidence of students as they were preparing to sit examinations. Furthermore, the Institute held examination answering techniques meetings for the students.

Student Conference

The Institute held two physical student conferences; one was held on 17th May 2024 at Garden Court Hotel in Kitwe under the theme "The Role of upcoming Accountants in Leading Digital Growth" where over 300 students attended and another in Lusaka at Mulungushi International Conference Center Old Wing on 26th September 2024, under the theme "The Role of Accountants in Sustainability" where over 300 students attended. The conferences 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 in study & life, mental and sexual reproductive health, role of upcoming accountants in leading digital growth, ethical conduct for professional accountants, student decorum etc.

Student Chapters

In achieving its primary mandate of promoting the accountancy profession, the Institute has continued forming student chapters in colleges and Universities. During the period under review, four (4) new student chapters were launched at the University of Lusaka, ZCAS, Mulungushi University and Rockview University.

This brought the total number of Student Chapters to twelve (12) 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
(ix) ZICA – ZCAS Student Chapter
(x) ZICA - UNILUS Student Chapter
(xi) ZICA – Mulungushi University Chapter
(xii) ZICA - Rockview University Chapter

Student Registration

The cumulative number of students as at 31st December 2024 was 7,316 with 4,418 CA Zambia, 2,703 Diploma in Accountancy, 182 Diploma in Taxation and 13 Diploma in Public Sector Financial Management.

Mutual Recognition Agreements

1. Institute of Chartered Accountants of Zimbabwe (ICAZ)

The Institute continued to utilize the existing MoU with ICAZ to train CA Zambia students and ZICA members in the CA Leadership masterclass to enhance their soft skills. Two (2) sessions of the CA Leadership masterclass were held during the period under review where a total number of 69 candidates attended this course.

2. RPA Canada – ZICA Scholarship

Riding on our existing MoU, RPA Canada ran a promotion for candidates who hold foreign accountancy qualifications for a 50% reduction in cost to join them as members.

3. Eswatini Institute of Accountants (ESIA) and Institute of Chartered Accountants in Malawi (ICAM)

An MoU with Eswatini Institute of Accountants (ESIA), Institute of Chartered Accountants in Malawi (ICAM) and Zambia Institute of Chartered Accountants (ZICA) was signed to collaborate in areas of mutual interest during the period under review.

4. SADC MRA for Trade in Services

A workshop organized by SADC was held on “Developing SADC Mutual Recognition Agreements (MRAs) for Professional Services” in Johannesburg, South Africa, in September 2024. This was to enable the movement of professionals in SADC countries in accordance with the SADC Protocol on Trade in Services. The Accountancy working group was chaired by Pan African Federation of Accountants (PAFA).

Pre-Graduation Workshop

The Graduation Ceremony was preceded by a virtual pre-graduation workshop on 23rd August 2024 where over 100 CA Advisory Professional in Accountancy graduates and CA ZM designates were in attendance. This workshop was organized to enhance professional interactions to help graduates build confidence in their abilities to communicate effectively in a professional setting as well as guide graduates in developing their personal brand, including their online presence, which is crucial in today’s job market. The workshop was also aimed at helping graduates gain insights into current industry trends, employer expectations, and the skills that are on demand.

Graduation Ceremony

The 18th Graduation Ceremony was successfully held on 30th August 2024 at Mulungushi International Conference Centre, Old Wing under the theme: “Building Bridges, Shaping Futures: Empowering Accountants for Local and Global Success”, where 1,018 candidates graduated.

Programme	Number of graduates 2024	Number of graduates 2023
CA Certificate in Accountancy	281	203
CA Application Advanced Diploma	295	250
CA Advisory Professional in Accountancy	190	193
Diploma in Accountancy	160	219
Diploma in Public Sector Financial Management (PSFM)	3	6
Certificate in Taxation	26	13
Diploma in Taxation	11	9
TOTAL	**966**	**893**

CA Zambia Designation

During the year under review, candidates who completed the 3 year practical training programme under versions 1, 2, 3 as stipulated by the CA Zambia Practical Training Competency Framework and IFAC International Education Standard 5 were awarded the CA Zambia designation as follows:

	2024	2023
Opening Balance	122	79
Awarded	69	43
Closing Balance	**191**	**122**

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. Three (3) new tuition providers were approved, bringing the total number of approved tuition providers to eighteen (18). The newly approved tuition providers are Chreso University, Mosa University and Eaglet Institute of Applied Sciences and Business Studies.

2. Qualification Exemption Accreditation

The Institute continued to strengthen partnerships with various Universities and colleges offering programmes in Accountancy. Twenty-three (23) qualifications from different Institutions which include Southern Africa Association of Accountants (SAAA), University of Lusaka, UNICAF University, among others were granted exemption accreditation to allow graduates from the accredited programmes to enroll for CA Zambia.

3. Examination Centres

The Institute currently has twenty (20) approved examination centres. Assessment and inspection of two centres whose examination administration MoUs had expired was done.

The Institute further held two (2) examination techniques virtual meetings in eight (8) subjects which had recorded lower pass rates in 2024 exam diets for CA Zambia and Diploma in Accountancy qualifications at various levels.

B. 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 2024 Tax Amendment Act. The Taxation Manuals and Revision Kits were updated using local technical experts and BPP Learning Media as the editor and typesetter.

C. Curriculum Review

1. Diploma in Taxation Curriculum Review

The Postgraduate Diploma in Taxation (PGDT) curriculum was accredited and registered by Higher Education Authority (HEA) and the Zambia Qualifications Authority (ZAQA) respectively. The consultant was engaged to develop the learning materials, which process concluded in December 2024. The PGDT will be launched in early 2025 and the first examinations are scheduled to be held in December 2025.

2. CA Zambia Curriculum Review

The CA Zambia qualification became due for review after clocking over 5 years in existence. Institute of Chartered Accountant England and Wales (ICAEW) concluded the CA Zambia qualification review and the revised curriculum has been submitted to Higher Education Authority for accreditation. Procurement processes commenced to engage a consultant to develop CA Zambia revised learning materials.

3. Diploma in Accountancy Curriculum Review

The Diploma in Accountancy qualification became due for review. ZCAS was engaged as a consultant to review the curriculum. Stakeholder meetings were held with different focus groups. As at report date, the consultant (ZCAS) had presented the Evaluation Report on the curriculum review.

“ ZICA’s education and training programmes equip accountants with essential skills and knowledge, ensuring they excel in the profession through rigorous exams, practical training, and innovative learning resources.

05

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 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 of 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 2024 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*	8	8	8
2	Mr. Joseph Matimba	*Vice-President*	8	8	8
3	Ms. Changwe Mulimbika	*Council Member*	8	8	8
4	Mr. Mulendo Siame	*Council Member*	8	8	8
5	Mr. Susiku Imataa Nasinda	*Council Member*	8	8	8
6	Mr. Kawina Muneku	*Council Member*	8	8	8
7	Mr. Andrew Sikwanda	*Council Member*	8	8	8
8	Mr. Mwale Muloyi Tembo	*Council Member*	8	8	8
9	Mr. Nathan Mutale	*Council Member*	8	8	7
10	Ms. Nsandi Manza	*Accountant General*	8	8	7
11	Ms. Musonda Chisanga Tembo	*Council Member (Retired in July 2024)*	8	6	6
12	Ms. Hellen Kalumbi	*Council Member (Elected in July 2024)*	8	2	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 recommends to the council policies which promote the general welfare for all the members of staff.

The 2024 Membership and attendance statistics of the Finance and Administration Committee are shown below:

No.	Name		Meetings Held	Meetings Eligible to attend	Meetings Attended
1	Joseph Matimba	*Chairperson*	5	5	5
2	Andrew Sikwanda	*Vice Chairperson*	5	5	5
3	Kantu Hachongo	*Member*	5	5	5
4	Chikatizyo Musonda	*Member*	5	5	5
5	Mathews Phiri	*Member*	5	5	4

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.

The 2024 Membership and attendance statistics for Public Sector Committee are as shown below:

No.	Name		Meetings Held	Meetings Eligible to attend	Meetings Attended
1	Mr. Susiku I. Nasinda	*Chairperson (Appointed August 2024)*	4	1	1
2	Ms. Musonda Chisanga Tembo	*Chairperson (Retired August 2024)*	4	3	3
3	Mr. Nathan Mutale	*Vice Chairperson*	4	4	4
4	Ms. Nancy Muchindu Mwamba	*Member*	4	4	4
5	Ms. Alice Tembo	*Member*	4	4	3
6	Ms. Mercy Malisawa	*Member*	4	4	2
7	Mr. Bornwell Mpofu	*Member*	4	4	1
8	Ms. Esther Kaonga Muntengwa	*(Appointed June 2024)*	4	2	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.

The 2024 membership and attendance statistics for the Membership Committee are as shown below:

No.	Name		Meetings Held	Meetings Eligible to attend	Meetings Attended
1	Mr. Mulendo Siame	*Chairperson*	4	4	4
2	Ms. Changwe Mulimbika	*Vice Chairperson*	4	4	4
3	Mr. Bernas Phiri	*Member*	4	4	4
4	Mr. Martin Kalilo	*Member*	4	4	3
5	Mr. Chanda Bwembya	*Member*	4	4	3
6	Mr. Simon Mtonga	*Member*	4	4	3
7	Ms. Helen Kalumbi	*Appointed July 2024*	4	2	1

Education and Training Committee

The overall purpose of the Education and Training Committee is to ensure 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 2024 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	3
2	Mr. Mwale Muloyi Tembo	*Vice Chairperson*	4	4	4
3	Dr. Edward Lusambo	*Member*	4	4	4
4	Mr. Robert Phiri	*Member*	4	4	4
5	Mr. Kennedy Bowa	*Member*	4	4	3
6	Mr. Kraus Babbi	*Member*	4	4	3
7	Mr. Sylvester Mhone	*Member*	4	4	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 2024 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*	4	4	4
2	Ms. Hellen Kalumbi	*Vice Chairperson (Appointed August 2024)*	4	1	1
4	Ms. Tabitha Kaunda Mangomba	*Member*	4	4	4
4	Mr. Samuel Kapelwa Lipimile	*Member*	4	4	4
5	Mr. Raymond Bwembya	*Member*	4	4	4
7	Ms. Hlupekile Luhana	*Member*	4	4	3
6	Mr. Susiku I. Nasinda	*Vice Chairperson (Transfered to Public Sector Committee August 2024)*	4	3	3

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 2024 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*	4	4	4
2	Mr. Kawina Muneku	*Vice Chairperson*	4	4	4
3	Mr. Kelvin Chungu	*Member*	4	4	4
4	Mr. Tinashe Jerahuni	*Member*	4	4	4
5	Mr. Eleutherious Syamutondo	*Member*	4	4	4
6	Ms. Rabecca Hichilo	*Member*	4	4	3
7	Ms. Thulile Kavimba Mumba	*Member*	4	4	3
8	Mr. Aptone Banda	*Member*	4	4	3

Taxation Committee

The main purpose of the Committee is to provide guidance on taxation matters affecting the nation and business at large.

The 2024 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*	4	4	4
2	Mr. Mulendo Siame	*Vice Chairperson*	4	4	4
3	Mr. Michael Phiri	*Member*	4	4	4
4	Mr. Obert Kangwa	*Member*	4	4	4
5	Mr. Patrick Mawire	*Member*	4	4	3
6	Mr. Elalio Mwansa	*Member*	4	4	2
7	Ms. Monika Kumar	*Member*	4	2	2
8	Mr. George Chitwa	*Member*	4	4	1

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 Disciplinary Committee operates and functions independently of the Council. The Committee's main purpose is to hear and determine any disciplinary action initiated against a member alleged to have contravened any provision of the code of ethics or any provision of the Act or against whom any complaint or allegation of professional misconduct has been made.

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 Practice Review Committee of the Council of ZICA, whose overall purpose is to ensure that audit work carried out by practicing members is of high standard and is in compliance with International Standards on Auditing (ISAs) and International Standard on Quality Control (ISQC 1)

The Committee comprises people from various regulatory bodies that include Lusaka Securities and Exchange Commission, Zambia Revenue Authority, representation from the big audit firms, representation from small to medium audit 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

Standards and Regulation Board of the Council of ZICA whose purpose is to promote and maintain the integrity of the accountancy and auditing professions by overseeing compliance with the relevant standards and regulations governing the professions.

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

The overall purpose of the committee is to raise and maintain by donations, endowments and voluntary subscriptions a Fund which shall be devoted to the relief and benevolence of needy or deserving persons who are or have been Fellows and Associate Members of the Institute.

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 the Zambia Institute of Chartered Accountants (FZICA), Association of Chartered Certified Accountants (FCCA) and the Institute of Directors Zambia (FIoDZ). Also a holder of an MSc in Project Management from the University of Bolton UK. Has over 20 years' experience in both practice and industry.

He is currently the Managing Partner of PBIK Corporate Consultancy Limited a ZICA registered firm of Chartered Accountants and Business Advisors. Also serves as Member of the Energy Regulations Tribunal, Member of the Audit Committee at the Lusaka South Multi facility Economic Zone (LSMFEZ) and Member of the Finance and Administration Committee at the National Institute for Scientific and Industrial Research (NISIR). He is also an accredited mentor of ZICA and ACCA.

Ms. Hellen Kalumbi

Member

Ms. Kalumbi is a Fellow of the Zambia Institute of Chartered Accountants (ZICA) and the Association of Chartered Certified Accountants (ACCA) and holds an MBA from Herriot Watt University. She is the Vice National Coordinator for the Forum for Zambia Women Accountants and also serves on the Membership committee of Council and served on ACCA panel.

She is currently serving as Chief Executive Officer (CEO) at the Zambia Internal Trade Fair Trust. She previously served on the Finance and Administration committee of council. With over 25 years of experience, Ms. Kalumbi worked as Chief Accountant at ZESCO Limited and as Chief Financial Officer at Mulungushi International Conference Centre. Ms. Kalumbi is passionate about the accounting profession and mentoring future leaders and young professional. She is an accredited mentor for ZICA, ACCA and FZWA.

Mr. Kawina Muneku

Member

Kawina Muneku is a finance and audit professional with over 13 years of experience in internal audit, Financial reporting, risk management, and IT audit. A Partner at TopFin Corporate Solutions, he holds a Bachelor's (Hons) in Finance, an MBA from UNZA, and professional qualifications including CA (Z), CIA, CISA, and CGMA. He specializes in governance, financial controls, enterprise risk management, and financial reporting.

He previously worked with the Office of the Auditor General and Trust Chartered Accountants, gaining extensive experience in public sector auditing, financial preparation and reporting, and compliance.

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.

Mr. Mwale Muloyi Tembo

Member

Mr. Mwale M. Tembo has over 16 years of experience in accounting and finance. He is a Fellow of ZICA, Associate of CIMA and CGMA, and a member of the Corporate Governance Institute Ireland, IoDZ, and CMAZ. He holds a ZICA Professional, CA Zambia, BAA from the Technological University of Shannon (Ireland) and certifications in investment advisory, stockbroking, and teaching methodology. His passion for sustainability led him to earn a Diploma in Sustainability and ESG in 2024, becoming part of the inaugural 40 professionals in Ireland to hold this Diploma. Currently, he is an Assurance Senior Manager at PwC Ireland (UK & I), having previously served at Assurance Manager EY UK & I, BDO Zambia and Business Controller at Yara International managing Malawi, Mozambique and Zambia. A passionate educator and mentor, MMT has taught master students at UNZA, ACCA at UNILUS & ZCAS and CIMA in Angola. As the founder of MMT Mentorship Hub, he has positively impacted over 500 young accounting students and young professionals and still counting. MMT has previously served as a member of the ZICA Technical and Educational & Training committees.

Mr. Susiku Imataa Nasinda

Member

Mr. Nasinda is a Fellow Member of both the Zambia Institute of Chartered Accountants (ZICA) and the Association of Chartered Certified Accountants (ACCA). He is a Sustainability Leader and Environmental Finance and Energy Sector Expert with 19 years' work experience in quasi-government, private sector, and intergovernmental organisations. Susiku holds a Master of Philosophy (MPhil) in Development Finance from Stellenbosch University, and ACCA.

Additionally, he holds post graduate certifications in Sustainable Finance (Frankfurt School of Finance), and Project Management (Duke University). Susiku works as Associate Director – Climate Change and Sustainability at EY. Previously, he served in Senior Project Finance roles at the Rural Electrification Authority and Kafue Gorge Regional Training Centre. He is a thought leader and international speaker. He speaks on Climate Finance, Renewable Energy, ESG, and Sustainability. He is a Member of the ACCA Global Forum for Public Sector, and serves on energy sector Boards.

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. Changwe Mulimbika

Member

Ms. Mulimbika is a Fellow of ZICA and ACCA, holding an MBA from Heriot-Watt University and a BSc in Applied Accounting from Oxford Brookes University. She serves as Executive Director at Exalt Investment Limited and has over 20years of experience in financial management, banking, and leadership. A ZICA Council member since 2020, she chairs the Education and Training Committee and is Vice Chairperson of the Membership Committee. She also leads FZWA as National Coordinator and serves on multiple boards. Passionate about mentoring and women's economic empowerment, she continues to champion leadership in the accounting profession.

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.

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 ACCA Zambia Network Panel Chairperson and International Assembly Member.

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 ended 31st December 2024 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

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 2024.

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 86.533 million (2023: ZMW 75.255 million). Total expenditure for the year was ZMW 84.856 million (2023: ZMW 73.255 million). The institute recorded a surplus for the year of ZMW 1.678 million (2023: ZMW 2.000 million)

Operations

The Institute commenced the implementation of the 2024-2028 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	President
Mr. Joseph Matimba	Vice president
Mr. Susiku Imataa Nasinda	Member
Mr. Kawina Muneku	Member
Mr. Mulendo Siame	Member
Mr. Mwale Muloyi Tembo	Member
Ms. Changwe Mulimbika	Member
Mr. Nathan Mutale	Member
Mr. Andrew Sikwanda	Member
Ms. Musonda Chisanga Tembo *(Retired July 2024)*	Member
Ms. Nsandi Manza	Member
Ms. Hellen Kalumbi *(Elected July 2024)*	Member

Report of the Council (continued)

Declaration of interest

None of the Council Members had any material interest in any contracts awarded during the year (2023: none)

Employees and their remunerations

The total remuneration of employees during the year amounted to ZMW27.300 million (2023: ZMW24.695 million) and the average number of employees was 46 (2023:42)

Capital Expenditure

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

	2024 ZMW	2023 ZMW
Computer equipment	933,311	485,017
Motor vehicles	1,490,711	-
Buildings	71,340	342,299
Furniture and fittings	184,475	237,125
Office equipment and machinery	365,835	228,741
Total	**3,045,672**	**1,293,182**

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 the employees.

Auditors

Mark Daniels Chartered Accountants retire at the next Annual General Meeting. As they have indicated their willingness to continue in office, a resolution proposing their re-appointment as auditors and authorising Council to determine their remuneration will be proposed at the Annual General Meeting.

By order of the Council.

Secretary and Chief Executive Officer

Date: 30 April 2025

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 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 to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are 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 2026 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 38 to 40.

The financial statements set out on pages 41 to 80 as well as the appendix on page 81, which have been prepared on the going concern basis, were approved by the Council on 30 April 2025 and were signed on its behalf by

....	....
Yande Siame Mwenye	Joseph Matimba
President	Chairperson, Finance and Administration Committee

MARK DANIELS
CHARTERED ACCOUNTANTS

Audit · Advisory · Tax

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 2024, 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 2024, 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 (IASB) 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 matters 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:

Independent Auditor's Report (continued)

Matter	How our audit addressed the key matters
Valuation of right of use-investment property ZMW 30.7 million The valuation of the 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 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 investment property as included in note 15.2 of the financial statements.

Other information

Council is responsible for the other information. The other information comprises the council's report and the statement of Councils' 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.

Independent Auditor's Report (continued)

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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.

Mark Daniels

Chartered Accountants 30 April 2025
Lusaka

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

Statement of Financial Position

	Note	2024 ZMW	2023 ZMW
ASSETS			
Non-current assets			
Property and equipment	3	27,091,332	15,239,187
Investment property under development	4	2,221,739	1,999,471
Intangible assets	6	4,174,163	2,022,721
Right of use assets	15.2	64,966,881	63,595,850
Equity investments at FVOCI	5	6,867,009	5,496,031
Staff loans and advances at amortised cost	9	450,994	241,590
		105,772,118	88,594,850
Current assets			
Inventories	8	2,003,593	1,679,009
Staff loans and advances at amortised cost	9	1,177,563	1,063,971
Other receivables	11	1,839,947	279,254
Investment securities at amortised cost	7	4,956,308	5,203,678
Cash and cash equivalents	12	3,504,285	7,273,469
		13,481,696	15,499,381
Total assets		119,253,814	104,094,231
MEMBERS' FUNDS and LIABILITIES			
Accumulated funds		43,362,945	41,226,073
Revaluation reserve		49,272,081	39,351,251
Other reserves		6,057,335	4,664,942
		98,692,361	85,242,266
Non-current liabilities			
Employee liabilities	13	2,704,296	5,376,884
Lease liabilities	15.3	2,455,213	2,485,195
Deferred income	16	2,716,296	3,212,808
		7,875,805	11,074,887
Current liabilities			
Other payables	14	5,545,813	3,418,763
Lease liabilities	15.3	757,613	754,594
Contract liabilities	17.1	6,382,222	3,603,721
		12,685,648	7,777,078
Total members' funds and liabilities		119,253,814	104,094,231

The responsibility of the Council with regard to preparation of the financial statements is set out on page 37.
The financial statements on pages 41 to 80 were approved by the Council on 30 April 2025 and were signed on its behalf by:

Yande Siame Mwenye
President

Joseph Matimba
Chairperson, Finance and Administration Committee

The notes on pages 45 to 80 are an integral part of these financial statements.

Statement of profit or loss and other comprehensive income

	Note	2024 ZMW	2023 ZMW
Income			
Revenue from contracts with customers	17	81,330,426	70,909,815
Other income	18	3,124,676	2,549,533
Finance income	19.1	1,054,586	887,658
Capital grant amortised	16	1,023,701	908,470
Total income		86,533,389	75,255,476
Expenditure			
Finance cost	19.2	547,157	595,735
Operating expenses		54,295,103	44,278,825
Depreciation and amortization	21	2,677,252	3,619,794
Employee benefits expenses	22	27,299,684	24,694,546
Expected credit loss reversals	10	36,455	66,471
Total expenditure		84,855,651	73,255,371
Surplus for the year before tax		1,677,738	2,000,105
Income tax expenses	20	-	-
Surplus for the year		1,677,738	2,000,105
Items that will not be reclassified subsequently to profit or loss			
Gain on equity investments at FVOCI	5	1,370,978	2,232,528
Gain on revaluation of property and equipment	3	10,401,379	-
Other comprehensive income for the year		11,772,357	2,232,528
Total comprehensive income for the year		13,450,095	4,232,633

The notes on pages 45 to 80 are an integral part of these financial statements.

Statement of Cash flows

	Note	2024 ZMW	2023 ZMW
Cash flows from operating activities			
Surplus for the year		1,677,738	2,000,105
Adjustments to reconcile surplus to net cash flow			
Depreciation of property and equipment	3	1,563,989	1,217,056
Depreciation of right of use assets	15.2	882,969	882,970
Change in fair value of right of use-investment property	15.2	(2,254,000)	(1,626,950)
Amortization of intangible assets	6	230,294	1,519,768
Exchange differences	15.4	212,292	715,694
Capital grant amortised	16	(1,023,701)	(908,470)
(Profit) or loss on disposal of property and equipment	18	5,400	-
Interest received	19.1	(890,823)	(528,358)
Dividend received	19.1	(163,762)	(359,300)
Finance cost from obligations under leases	19.2	547,157	595,735
		787,553	3,508,250
Changes in working capital			
Increase in inventories	8	(324,584)	(63,878)
Increase in staff loans and advances at amortised cost	9	(322,996)	(161,165)
(Increase)/Decrease in other receivables	11	(1,560,693)	(101,640)
Increase in employee benefits	13	(2,672,588)	2,488,364
Increase/(decrease) in other payables	14	2,127,050	763,565
(Decrease)/increase in contract liabilities	17.1	2,778,501	(2,178,739)
Net cash inflows from operating activities		812,243	4,254,757
Cash flows from investing activities			
Purchase of property and equipment	3	(3,045,672)	(1,293,182)
Government grant received	16	527,189	575,108
Acquisition of intangible assets	6	(2,381,736)	(1,488,738)
(Investment)/redemption of investment securities at amortised cost	7	247,370	138,714
Proceeds from disposal of property and equipment	18	25,517	-
Acquisition of investment property	4	(222,268)	(267,065)
Dividend received	19.1	163,762	359,300
Interest received	19.1	890,823	528,358
Net cash flows utilized in investing activities		(3,795,015)	(1,447,505)
Cash flows from financing activities			
Interest paid	19.2	(547,157)	(595,735)
Payment of lease liabilities	15	(239,255)	(996,445)
Net cash used in financing activities		(786,412)	(1,592,180)
Increase in cash and cash equivalents		(3,769,184)	1,215,072
Cash and cash equivalents at the beginning of the year		7,273,469	6,058,397
Cash and cash equivalents at end of the year	12	3,504,285	7,273,469

The notes on pages 45 to 80 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 2023	2,230,732	180,607	2,411,339	38,775,943	39,822,351	81,009,633
Surplus for the year				2,000,105	-	2,000,105
Gain on equity investments	2,232,528	-	2,232,528	-	-	2,232,528
Amortization	-	-	-	471,100	(471,100)	-
Funds transfer	-	21,075	21,075	(21,075)	-	-
Balance at 31 December 2023	4,463,260	201,682	4,664,942	41,226,073	39,351,251	85,242,266
Balance at 1 January 2024	4,463,260	201,682	4,664,942	41,226,073	39,351,251	85,242,266
Surplus for the year		-		1,677,738	-	1,677,738
Gain on equity investments	1,370,978	-	1,370,978	-	-	1,370,978
Revaluation Surplus	-	-			10,401,379	10,401,379
Amortization	-	-	-	480,549	(480,549)	-
Funds transfer	-	21,415	21,415	(21,415)	-	-
Balance at 31 December 2024	5,834,238	223,097	6,057,335	43,362,945	49,272,081	98,692,361

(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 of 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 buildings.

The notes on pages 45 to 80 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 has applied 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 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendment to IAS 1 Classification of Liabilities as Current or Non-current

The Institute has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year. The amendments 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.

Adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

The Institute has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year. 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).

Material accounting policies continued

1.3 Changes in accounting policies (continued)

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.

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

The Institute has adopted the amendments to IFRS 16 for the first time in the current year. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers 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 recognized 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. 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.

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.

Material accounting policies continued

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.

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.

Material accounting policies continued

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 contract asset 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

Material accounting policies continued

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.

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:

	2024	2023
1USD to ZMW	28.25	25.7
1GBP to ZMW	35.49	33.14

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.

Material accounting policies continued

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.

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.

Material accounting policies continued

Financial assets and liabilities (continued)

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

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 minimis*** 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.

Material accounting policies continued

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

Financial Instruments (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:

Material accounting policies continued

Financial Instruments (continued)

- 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.

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 exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- 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.

Material accounting policies continued

Financial Instruments (continued)

- 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 Note 25.10.

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 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 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.

Material accounting policies continued

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 arising from revaluations of buildings.
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.

Material accounting policies continued

Leases (continued)

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.

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.

Material accounting policies continued

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

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.

	2024	2023
	ZMW	ZMW
Magazines	15.8	12.4
Insurance	500	450

Material accounting policies continued

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

Material accounting policies continued

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 any renewal 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.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025.
The amendments are not expected to have a material impact on the Institute's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Institute is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Notes to the financial statements

3. Property and equipment

2024 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 2024	13,800,517	2,567,993	2,235,142	1,663,478	4,182,822	87,722	24,537,674
Additions	71,340	1,490,711	184,475	365,835	933,311	-	3,045,672
Net valuation gain	8,731,143	-	-	-	-	-	8,731,143
Disposal	-	-	-	-	(35,000)	-	(35,000)
At 31 December 2024	**22,603,000**	**4,058,704**	**2,419,617**	**2,029,313**	**5,081,133**	**87,722**	**36,279,489**
Depreciation							
At 1 January 2024	1,324,331	1,752,989	1,843,416	1,282,049	3,095,702	-	9,298,487
Charge for the year	345,905	545,665	121,580	132,233	418,606	-	1,563,989
Write-back on disposal	-	-	-	-	(4,083)	-	(4,083)
Write-back on rev	(1,670,236)	-	-	-	-	-	(1,670,236)
At 31 December 2024	-	2,298,654	1,964,996	1,414,282	3,510,225	-	9,188,157
Net book value							
At 31 December 2024	**22,603,000**	**1,760,050**	**454,621**	**615,031**	**1,570,908**	**87,722**	**27,091,332**

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**

The total revaluation surplus at 31 December 2024 was ZMW 10,401,379 and has been recognized in other comprehensive income in the statement of profit or loss and other comprehensive income.

Notes to the financial statements (continued)

The leasehold buildings were valued at 31 December 2024 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 as follows:

	2024 ZMW	2023 ZMW
Cost	8,661,417	8,661,417
Accumulated depreciation and impairment	(3,206,643)	(2,566,569)
Net carrying amount	5,454,774	6,094,848

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

	2024 ZMW	2023 ZMW
Opening balance	1,999,471	1,732,406
Additions	222,268	267,065
Closing balance	2,221,739	1,999,471

The Investment property consists of expenditure incurred in the development of Livingstone Lot No.19912/M & Farm No.9012.

Notes to the financial statements (continued)

5. Equity Investments at FVOCI

Company	No. of shares	Share price as at 31Dec 2024	Market value as at 31 Dec 2023	Capital appreciation/ (dep)	Market value as at 31 Dec 2024
	ZMW	ZMW	ZMW	ZMW	ZMW
Zambia National Commercial Bank Plc	250,000	5.54	950,000	435,000	1,385,000
Standard Chartered Bank Zambia Plc	87,949	2.65	131,924	101,142	233,065
Zambeef Products Plc	50,000	2.13	126,500	(20,000)	106,500
Zambia Sugar Plc	100,000	36.05	3,500,000	105,000	3,605,000
Copperbelt Energy Corporation Plc	111,087	13.84	787,607	749,837	1,537,444
			5,496,031	1,370,978	6,867,009

Company	No. of shares	Share price as at 31Dec 2022	Market value as at 31 Dec 2021	Capital appreciation/ (dep)	Market value as at 31 Dec 2022
	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

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 at fair value through other comprehensive income (FVOCI).

6. Intangible assets

	Software	Syllabi Development	Work in progress	Total
	ZMW	ZMW	ZMW	ZMW
At 1 January 2024	828,877	201,483	992,361	2,022,721
Additions	129,657	28,296	2,223,783	2,381,736
Amortisation	(165,776)	(64,518)	-	(230,294
At 31 December 2024	**792,758**	**165,261**	**3,216,144**	**4,174,163**

	Software	Syllabi Development	Work in progress	Total
	ZMW	ZMW	ZMW	ZMW
At 1 January 2023	57,630	1,663,621	332,500	2,053,751
Additions	828,877	-	659,861	1,488,738
Amortisation	(57,630)	(1,462,138)	-	(1,519,768)
At 31 December 2023	**828,877**	**201,483**	**992,361**	**2,022,721**

Notes to the financial statements (continued)

	2024 ZMW	2023 ZMW

Work in progress comprises costs being incurred in the development of the Enterprise Resource Planning (ERP) package and costs for the Syllabi Development relating to various qualifications offered by the Institute. The total work in progress cost of K3,216,144 includes costs related to the ERP, ZMW 342,200 and Syllabi development, ZMW 2,873,944.

The Software Costs and Syllabi Development costs are amortised at a rate of 20% per annum on a straight-line basis. .

7. Investment securities at amortised cost

Fixed deposits	5,023,346	5,238,000
Expected credit losses	(67,038)	(34,322)
	4,956,308	5,203,678

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 2024

Internal Rating Grade	Stage 1	Stage 2	Stage 3	Total
Performing high Grade	(67,038)	-	-	(67,038)
Standard grade	-	-	-	-
Sub-standard grade	-	-	-	-
Not performing individually impaired	-	-		-
Total	(67,038)	-	-	(67,038)

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)

The ECL allowance as at the 31 December 2024 was ZMW 67,038 (2023: ZMW 34,322).

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

Fixed deposits		
At 01 January	34,322	32,762
Expected credit loss (ECL)	32,716	1,560
At 31 December	67,038	34,322

Notes to the financial statements (continued)

	2024 ZMW	2023 ZMW
Average annual rates		
Institution		
Stanbic Bank Zambia Limited fixed deposit	14.0%	14.0%

8. Inventories

	2024 ZMW	2023 ZMW
Study manuals	2,003,593	1,615,131

The cost of inventories recognised as an expense during the year was ZMW 1,045,531 (2023: ZMW 535,286). Inventory written off in the year was Nil (2023: ZMW Nil)

9. Staff loans and advances at amortised cost

	2024 ZMW	2023 ZMW
Staff loans	1,282,179	856,381
Staff advances	350,117	449,180
Expected credit losses	(3,739)	-
Closing balance	1,628,557	1,305,561

The table below shows the credit quality and 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 Notes 25.

As at 31 December 2024

Internal Rating Grade	Stage 1	Stage 2	Stage 3	Total
Performing high Grade	(3,739)	-	-	(3,739)
Total	(3,739)	-	-	(3,739)

As at 31 December 2023

Internal Rating Grade	Stage 1	Stage 2	Stage 3	Total
Performing high Grade	-	-	-	-
Total	-	-	-	-

ECL allowance as at 31 December 2024 was ZMW 3,739 (2023 was of ZMW Nil).
A reconciliation of the ECL as at 31 December 2024 is shown below:

Staff loans and advances		
At 01 January 2023	-	(64,911)
Expected credit loss/reversal	3,739	64,911
At 31 December 2024	3,739	-

Analysis of classification as follows:

Current asset		
Staff loans and advances (short term component)	1,177,563	1,063,971
	1,177,563	1,063,971

Notes to the financial statements (continued)

	2024 ZMW	2023 ZMW
Non-current assets		
Staff loans and advances (long term component)	450,994	241,590
	1,628,557	1,305,561
Average annual rates	15%	15%

10. Expected credit losses

	2024 ZMW	2023 ZMW
Opening expected credit loss 1 January 2024	34,321	(32,149)
Total expected credit losses (credit)/charge (note 7 & 9)	36,455	66,471
Closing expected credit loss	70,777	34,322

The table below shows the ECL charges on financial instruments for the year;

As at 31 December 2024	Stage 1 Individual ZMW	Collective ZMW	Stage 2 and 3 Individual ZMW	Collective ZMW	Total ZMW
Cash and cash equivalents	-	-	-	-	-
Staff loans and advances	3,739	-	-	-	3,739
Investment Securities	67,038	-	-	-	67,038
Total Impairment loss	70,777	-	-	-	70,777

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

11. Other receivables

	2024 ZMW	2023 ZMW
Sundry debtors	1,246,940	201,610
Prepayments	593,007	77,644
	1,839,947	279,254

12. cash and cash equivalents

	2024 ZMW	2023 ZMW
Cash at bank	3,502,845	7,273,403
Cash on hand	1,440	66
	3,504,285	7,273,469

Notes to the financial statements (continued)

	2024 ZMW	2023 ZMW

13. Employee liabilities

	2024 ZMW	2023 ZMW
Balance at 1 January	5,376,884	2,888,520
Provision	4,321,793	3,952,621
Paid during the year	(3,908,738)	(863,853)
Less short term portion (note 14)	(3,085,643)	(600,404)
Long term portion	2,704,296	5,376,884

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

14. Other payables

	2024 ZMW	2023 ZMW
Accruals	1,135,580	1,661,742
Sundry creditors	1,102,590	1,156,617
Employee liabilities (note 13)	3,085,643	600,404
Benevolent fund	222,000	-
	5,545,813	3,418,763

15. Leases

15.1 Institute as a lessee

The Institute has lease contracts with private entities 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

	Building	Land	Motor Vehicle	Investment Property	Total
	ZMW	ZMW	ZMW	ZMW	ZMW
At 01 January 2024	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
Depreciation charge for the year	(62,658)	(351,179)	(469,132)	-	(882,969)
Fair value gain	-	-	-	2,254,000	2,254,000
At 31 December 2024	-	33,677,689	586,414	30,702,778	64,966,881

(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) Right of use Motor Vehicle 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.

Notes to the financial statements (continued)

	2024 ZMW	2023 ZMW

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-Investment property

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.

15. 3 Lease liabilities

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

	Land	Building	Motor Vehicle	Total
	ZMW	ZMW	ZMW	ZMW
At 01 January 2023	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
Payments made during the year	(376,895)	(158,476)	(251,041)	(786,412)
Accretion of interest	335,976	120,446	90,735	547,157
Translation difference	212,292	-	-	212,292
At 31 December 2024	2,543,502	491,401	177,923	3,212,826

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.

	2024	2023
Current	757,613	754,594
Non-current	2,455,213	2,485,195
	3,212,826	3,239,789

The maturity analysis of lease liabilities are disclosed below in 15.6

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

	2024	2023
Depreciation expense of right-of-use assets	882,969	882,970
Interest expense on lease liabilities	547,157	595,735
Exchange difference	212,292	715,694
	1,642,418	2,194,399

Notes to the financial statements (continued)

	2024 ZMW	2023 ZMW

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

2024	Fixed payments ZMW	Variable payments ZMW	Total ZMW
Fixed rent	572,000	-	572,000
2023			
Fixed rent	435,330	-	435,330

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 ZMW	More than five years ZMW	Total ZMW
Extension options expected to be exercised	790,000	6,900,000	7,660,000

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.

16. Deferred income

	2024 ZMW	2023 ZMW
Non-Current		
Grants		
Opening balance	3,212,808	3,546,170
Additions	527,189	575,108
Amortization	(1,023,701)	(908,470)
Closing balance	2,716,296	3,212,808

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.

Notes to the financial statements (continued)

	2024 ZMW	2023 ZMW

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 2024

Segments	Subscriptions	Seminars	Examinations	Certification	Manuals	Total
Types of goods and services:	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Annual subscriptions:						
• Membership fees	19,573,783	-	-	-	-	19,573,783
• Life insurance cover	3,943,899	-	-	-	-	3,943,899
• Magazines fees	124,596	-	-	-	-	124,596
Subscription arrears	1,380,042	-	-	-	-	1,380,042
Registration fees	4,129,658	-	-	-	-	4,129,658
Competence examination exams	-	-	340,000	-	-	340,000
Firm registrations fees	-	-	-	16,110	-	16,110
Practicing certificate fees	-	-	-	3,171,557	-	3,171,557
Exemption fees	-	-	393,879	-	-	393,879
Examination fees	-	-	16,047,849	-	-	16,047,849
Entry fees	-	-	1,213,593	-	-	1,213,593
Seminars & workshops	-	28,209,873	-	-	-	28,209,873
Manuals sales	-	-	-	-	2,785,587	2,785,587
Total revenue from contracts with customers	29,151,978	28,209,873	17,995,321	3,187,667	2,785,587	81,330,426
Timing of revenue recognition						
Transferred at a point in time	5,509,700	28,209,873	17,995,321	3,187,667	2,785,587	51,714,894
Services transferred over time	23,642,278	-	-	-	-	29,615,532
Total revenue from contracts with customers	29,151,978	28,209,873	17,995,321	3,187,667	2,785,587	81,330,426
Geographical markets						
Zambia	29,058,518	28,209,873	17,764,616	3,187,667	2,785,587	81,006,261
Zimbabwe	93,460	-	230,705	-	-	324,165
	29,151,978	28,209,873	17,995,321	3,187,667	2,785,587	81,330,426

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	-	-	-	-	17,732,776
• Life insurance cover	3,490,348	-	-	-	-	3,490,348
• Magazines fees	96,213	-	-	-	-	96,213
Subscription arrears	1,238,300	-	-	-	-	1,238,300

Notes to the financial statements (continued)

					2024 ZMW	2023 ZMW
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
Timing of revenue recognition						
Transferred at a point in time	5,837,566	23,301,088	15,627,722	3,291,364	1,532,738	49,590,478
Services transferred over time	21,319,337	-	-	-	-	21,319,337
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

17. 1 Contract liabilities

	2024 ZMW	2023 ZMW
Contract liabilities	6,382,222	3,603,721

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	3,603,721	5,782,460
Performance obligations satisfied in previous years	(3,603,721)	(5,782,460)
	-	-

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	6,382,222	3,603,721
	6,382,222	3,603,721

All the other remaining performance obligations are expected to be recognised within one year.

Notes to the financial statements (continued)

	2024 ZMW	2023 ZMW
18. Other income		
Gain on fair value of right of use-investment property (note 15.2)	2,254,000	1,626,950
Sundry income	876,076	922,583
Loss on disposal of PPE	(5,400)	-
	3,124,676	2,549,533

19. Finance income

19. 1 Finance income

Income from financial instruments measured at amortised cost:

Bank deposits	773,487	440,677
Interest on staff loans and advances	117,336	87,681
	890,823	528,358

Income from financial instruments designated at FVOCI

Dividends received from equity investments	163,762	359,300
	1,054,586	887,658

19. 2 finance cost

Right of use asset	456,422	435,330
Motor vehicle	90,735	160,405
Total finance cost	547,157	595,735

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.

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

Employee benefits expense	27,299,684	24,694,546
Amortisation of intangible assets	230,294	1,519,768
Depreciation of Property and equipment	1,563,989	1,217,056
Depreciation of right of use assets	882,969	882,970
Cost of inventories recognised as manuals expense	1,045,531	535,286
Finance cost	547,157	595,735
Exchange loss	360,654	591,456
Expected credit losses/reversal	36,455	66,471
Gain on disposal of property and equipment	5,400	-
Gain on fair value of right of use-Investment property	(2,254,000)	(1,626,950)
Finance income	(890,823)	(528,358)
	28,827,310	27,751,587

22. Employee benefit expenses

Salaries	22,293,761	20,155,251
NAPSA	683,130	586,624
Gratuity	4,321,793	3,952,671
	27,299,684	24,694,546

Notes to the financial statements (continued)

	2024 ZMW	2023 ZMW

23. Related party transactions

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

	2024 ZMW	2023 ZMW
Short term benefits	9,656,785	9,280,167
Post-employment benefits	2,414,196	2,320,042
	12,070,981	11,600,209

	2024 ZMW	2023 ZMW
Loans to key management personnel	318,750	546,173
Council and committees expenses	500,672	622,715

Council and Committee members receive an honorarium of ZMW 600 (2023: 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 2024, the carrying amounts of such 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, trade receivables, investment in quoted equity securities and trade and other payables.

Categories of financial instruments

31 December 2024	Amortised cost ZMW	Fair value through OCI ZMW	Total ZMW
Cash and bank balances	3,504,285	-	3,504,285
Staff loans and advances	1,628,557	-	1,628,557
Investment securities	4,956,308	-	4,956,308
Equity investments	-	6,867,009	6,867,009
	10,089,150	6,867,009	16,956,159
Financial liabilities			
Lease liabilities	3,212,826	-	3,212,826
Accounts payable	5,545,813	-	5,545,813
	8,758,639	-	8,758,639

Notes to the financial statements (continued)

	2024 ZMW	2023 ZMW

Categories of financial instruments

31 December 2023	Amortised cost ZMW	Fair value through OCI ZMW	Total 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			
	3,239,789	-	3,239,789
Lease liabilities	3,418,763	-	3,418,763
Accounts payable	6,658,552	-	6,658,552

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

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.

Notes to the financial statements (continued)

	2024 ZMW	2023 ZMW

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
- Exposures that have been classified as POCI when the original loan was derecognized and a new loan was recognized as a result of a credit driven debt restructuring.

Notes to the financial statements (continued)

	2024 ZMW	2023 ZMW

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

- Stage 1 and 2 investments
- Purchased POCI exposures managed on a collective basis

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 2024.

Sensitivity of key inputs	Changes in key inputs	Impact on profit for the year
Probability of default	10%	220,272
Recovery rate	-0.05%	-
Loss given default	-50%	5,811
Effective interest rate	+3%	4,812
Tenor	+6 month	(3,036)
	-6 month	3,036

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

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 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:

	2024	2023
Investment securities	4,956,308	5,203,678
Staff loans and advances	1,628,557	1,305,561
Cash and cash equivalent	3,504,285	7,723,469

Notes to the financial statements (continued)

	2024 ZMW	2023 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 2024	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	3,504,285	3,504,285	3,504,285	-	-	-
Staff loans and advances	1,628,557	1,872,840	1,179,030	693,810	-	-
Investment securities	4,956,308	5,738,996	5,738,996	-	-	-
Equity investments	6,867,009	6,867,009	-	-	-	6,867,009
	16,956,159	17,983,130	10,422,311	693,810	-	6,867,009

	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	3,212,826	7,660,000	757,613	1,024,837	1,167,258	4,710,292
Accounts payable	5,545,813	5,545,813	5,545,813	-	-	-
	8,758,639	13,205,813	6,303,427	1,024,837	1,167,258	4,710,292
Gap			4,118,885	(331,027)	(1,167,258)	2,156,717
Cumulative gap			4,118,885	3,787,858	2,620,600	4,777,317

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	1,501,395	1,063,971	437,424	-	-
Investment securities	5,203,678	5,785,030	5,785,030	-	-	-
Equity investments	5,496,031	5,496,031	-	-	-	5,496,031
	19,278,739	20,055,925	14,122,470	437,424	-	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	10,542,975	754,593	2,004,785	1,591,626	6,191,971
Accounts payable	3,418,763	3,418,763	3,418,763	-	-	-
	6,658,552	13,961,738	4,173,356	2,004,785	1,591,626	6,191,971
Gap			9,949,114	(1,567,361)	(1,591,626)	(695,940)
Cumulative gap			9,949,114	8,381,753	6,790,127	6,094,187

Notes to the financial statements (continued)

	2024 ZMW	2023 ZMW

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
2024		
Total foreign exposure in USD	5,500	15,000
Change in USD	+0.2	+0.2
Effect on profit	1,100	(3,000)
Effect on equity	1,100	(3,000)

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)

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 2024 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 2024 would decrease by ZMW 1,370,978 (2023: ZMW 2,232,528) 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 2024:

The table below analyses assets measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value of the asset is categorised.

Notes to the financial statements (continued)

	2024 ZMW	2023 ZMW

31 December 2024	Level 1	Level 2	Level 3	Total
	ZMW	ZMW	ZMW	ZMW
Equity investment	6,867,009	-	-	6,867,009
Right of use-Investment property	-	30,702,778	-	30,702,778
	6,867,009	30,702,778	-	37,569,787

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

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	2024 Carrying amount	2024 Fair value	2023 Carrying amount	2023 Fair value
	ZMW	ZMW	ZMW	ZMW
Equity investments	6,867,009	6,867,009	5,496,031	5,496,031
Staff loans and advances	1,628,557	1,628,557	1,305,561	1,305,561
Other receivables	1,839,947	1,839,947	279,254	279,254
Investments and securities	4,956,308	4,956,308	5,203,678	5,203,678
Cash and cash equivalents	3,504,285	3,504,285	7,273,469	7,273,469
Total	18,796,106	18,796,106	19,557,993	19,553,993

26. Capital commitments
There were no capital commitments as at 31 December 2024 (2023: Nil).

27. Contingent liabilities
There were no contingent liabilities as at 31 December 2024 (2023: Nil).

28. Events after the reporting date
As at the date of signature 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 2023 have been reclassified to have meaningful comparison with the current year.

Appendix 1: Detailed statement of expenditure

	2024 ZMW	2023 ZMW
Operating expenses		
Seminars and workshops	18,847,815	14,320,532
Examination expenses	7,297,771	7,466,943
Advertising and publicity	3,509,793	2,607,080
AGM expenses	2,253,217	1,571,848
Motor vehicle expenses	2,198,506	1,855,802
Subscription	1,991,382	1,358,840
Travel – foreign	1,749,657	1,940,119
Staff welfare	1,666,855	1,380,868
Travel - local	1,557,391	1,210,853
Office expenses	1,446,353	530,123
Insurance	1,444,380	1,586,612
Printing and stationery	1,404,598	1,059,532
Professional fees	1,218,708	1,032,849
ICT expenses	1,172,934	709,286
Manuals	1,045,531	535,286
Travel - foreign - IFAC meetings	929,714	517,204
Bank charges	505,184	479,973
Council and committee expenses	500,672	622,715
Repairs and maintenance	404,770	276,377
Graduation expenses	391,054	268,774
External audit fee	387,987	352,716
Staff training and development	367,144	321,092
Exchange loss	360,654	591,456
Telephone	222,373	217,126
Electricity and water	207,931	314,965
Internal audit fee	197,316	109,620
Discount allowed	178,494	109,845
Security expenses	168,370	153,968
Publication costs of Accountant Magazine	155,149	234,561
Postage	125,389	235,187
Corporate social responsibility	110,092	117,330
Monitoring expenses	107,730	2,260
Inspection costs	87,614	35,560
Competence exams	80,160	145,200
Rates and taxes	2,415	6,323
	54,295,103	44,278,825
Depreciation, amortisation and impairment		
Amortisation of development costs	230,294	1,519,768
Depreciation of assets	1,563,989	1,217,056
Depreciation of right of use assets	882,969	882,970
	2,677,252	3,619,794
Employee benefits expense		
Salaries	22,977,891	20,741,875
Gratuity	4,321,793	3,952,671
	27,299,684	24,694,546
Finance cost	547,157	595,735
Expected credit losses	36,455	66,471
	84,855,651	73,255,371

NOTES:

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