

2025 **ANNUAL REPORT**



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

CONTENTS

1 OVERVIEW	1	5 GOVERNANCE AND LEADERSHIP	23
Our Vision, Mission, and Values	2	Governance Structure	24
Services we offer.	3	The Council	24
		Council Member Profiles	24
2 OPERATIONAL HIGHLIGHTS	7	Independent Committees	31
ZICA Presidents Report	8	Executive Management Team	32
Key Performance Indicators	8		
i. Performance of the Global Economy	8		
ii. Performance of the National Economy	8	6 ANNUAL FINANCIAL STATEMENTS	33
Performance of the Institute	8	Report of the Council	36
Long Term Sustainability	9	Responsibility of the Council	37
		Independent Auditor's Report	38
3 STRATEGY AND PERFORMANCE	11	Statements of Financial Position	41
Chief Executive Officers Report	12	Statement of Profit or Loss and other Comprehensive Income	42
		Statement of Cash Flows	43
4 FINANCIAL AND OPERATIONAL REVIEW	13	Statement of Changes in Members' Funds	44
Financial Highlights	14	Material Accounting Policies	45
Human Resource Highlights	15	Notes to the Financial Statements	62
Membership and Corporate Services Highlights	16	Detailed Expenses	81
Education and Training Highlights	19		

1

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
- **EDUCATE AND TRAIN**
Education and training of Accountants and registration of students
- **SETTING STANDARDS**
Setting ethical, auditing and accounting standards
- **PROTECT PUBLIC INTEREST**
Investigation of disclosures made in public interest



SERVICES WE OFFER

REGULATORY SERVICES

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

Practitioner Registration and Enforcement of Standards

The Institute ensures members comply with relevant professional standards. This is done partly through audit monitoring reviews for all audit firms.

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**

Registration of Accountants and Compliance Monitoring

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.

We also carry out reviews of members' compliance with Continuous Professional Development requirements and enforce sanctions to members failing to comply with CPD requirements.

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, Postgraduate 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.



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:



PHOTO FOCUS - THE YEAR IN REVIEW



National Budget Analysis Dinner



2025 Pre-AGM Workshop



Guest of Honour Professor Oliver Saasa, ZICA Council members, invited guests and ZICA Management at the 2025 ZICA Graduation Ceremony.



2025 ZICA Press Briefing by the ZICA President Mrs Yande Siame Mwenye



ZICA Council and Management led by the ZICA President Mrs Yande Siame Mwenye paying their respect on the passing of the 6th Republican President Dr. Edgar Chagwa Lungu at Belvedere Lodge in Lusaka.



Left to right: Former ZICA President Mr Jason Kazilimani Jr, Current ZICA President Mrs Yande Siame Mwenye, Immediate Past President Mrs Cecilia zimba and Former ZICA President Mr. Wesley Beene at the 40th Annual General Meeting of ZICA.



International Accounting Day Celebrations were graced by the keynote Speaker Mr. James Kapesa, ZICA Council Members, Mr Kingford Kalobi, Ms. Changwe Mulimbika, Ms Hellen Kalumbi, Ms. Natasha Chirwa, Mr Shadrack Lusambo and ZICA Management.



ZICA Aerobics held at Falls Park Mall post the Pre-AGM session.

2

OPERATIONAL HIGHLIGHTS

The 2025 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 2025. The year 2025 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 increased to 3.2% in 2025 from 3.1% in 2024, owing to the subdued growth in the major advanced economies. In 2026, a 3.1% is projected due to improved financial conditions and fiscal expansion in major economies.

i. Region

Sub-Saharan Africa's growth remained steady at around 4.0% in 2025, forecast to increase moderately to 4.3% in 2026. Positive influences include improved agricultural output and a decline in inflation rates. However, challenges such as fluctuating commodity prices, and ongoing global uncertainties, continue to contribute to a cautious economic outlook for the region.

ii. Performance of the National Economy

In 2025, the economic growth was 5.2% compared to 3.8% in 2024. The growth was attributed to increased mining activity and agriculture.

Performance of the Institute

Financial Performance

In 2025, the Institute recorded strong operational performance with income growing by 11% to ZMW 96.1 million, driven by member subscriptions, CPD activities and examinations. However, expenditure increased more than revenue, resulting in a deficit of ZMW 2.6 million, largely due to inflationary pressures, expanded activities and fair value movements. Despite this, the Institute remained financially stable, with total assets rising to ZMW 121.8 million and improved cash balances.

Council continued investing in digital transformation, compliance and member services, while initiating revenue diversification efforts and advancing plans for the Shungu Namutitima International Conference Centre and Office Complex to support long-term sustainability.

Employer Compliance

The Institute conducted compliance inspections across Lusaka, Copperbelt, Eastern, Central, and Luapula Provinces. Out of 147 organisations inspected, only 21 (14%) were compliant, while 126 (86%) were non-compliant, at the time of inspection. Reasons for non-compliance included; employing unregistered accountants, non-qualified individuals and members who had not renewed their subscription. In light of the low compliance levels, I call upon all members to ensure that they remain in good standing with the Institute by paying their annual subscription fee and submission of CPD returns.

2026 National Budget Submissions

ZICA maintained an active and influential role in shaping national economic and fiscal policy. The Institute made comprehensive tax and non tax proposals to the Ministry of Finance and National Planning and contributed to the national budget consultative process. Engagements involved key economic institutions, including the Bank of Zambia, ZRA, and the Ministry of Commerce. Further, ZICA hosted the 2026 National Budget Analysis Dinner, providing a stakeholder platform for budget interpretation and economic forecasting. The dinner was graced by the Minister of Finance and National Planning Hon. Dr. Situmbeko Musokotwane, MP.

Public Sector Financial Management Reforms

ZICA continued to support Government efforts toward enhanced transparency through the adoption of International Public Sector Accounting Standards (IPSAS).

The Institute conducted IPSAS workshops, offered technical support, and collaborated with public sector stakeholders to advance the transition to accrual-based reporting. These reforms remain vital for strengthening financial accountability within government and related entities.

Education, Training and Curriculum Policy

Education reform remained a core policy priority aimed at ensuring that Zambia develops highly competent accounting professionals. Under the curriculum advancement agenda, key milestones were achieved, including the accreditation of the revised CA Zambia Qualification by the Higher Education Authority (HEA) and its registration on the National Qualifications Framework. In addition, the revised Diploma in Accountancy curriculum was submitted for accreditation, while the Postgraduate Diploma in Taxation was successfully launched, with its first examinations conducted in December 2025. These measures ensured that academic standards remain globally benchmarked and industry aligned.

Regional and Global Professional Mobility

The Institute strengthened partnerships and advanced regional harmonisation by actively engaging in the SADC Mutual Recognition Agreement (MRA) process. It also participated actively in the development of the PAFA Common Core Competency Framework and undertook collaborative initiatives with ICAZ, ICAM, and BICA aimed at expanding mobility and specialisation pathways for Zambian accountants. These collaborations reinforce Zambia's integration into regional and global professional ecosystems.

Sustainability, ESG, and Emerging Global Competencies

ZICA scaled up member awareness on Environmental, Social, and Governance (ESG) issues through dedicated workshops and training interventions. The Institute emphasized the importance of sustainability reporting, climate finance, and risk management as emerging areas of professional focus.

Digital Transformation and Innovation

The Institute commenced implementation of an Enterprise Resource Planning (ERP) system in May 2024 as a strategic initiative to modernise operations, enhance service delivery, and improve organisational efficiency. The ERP comprises seven functional modules, with a phased rollout prioritising high-impact areas. In 2025, the Membership, Education, and Examinations modules were successfully developed and deployed, while the Finance module was integrated with the existing Sage Evolution system. The remaining modules—Practice Review, Procurement, and Technical—are scheduled for completion in 2026.

Corporate Social Responsibility

ZICA continued to contribute to community development through initiatives that included the rehabilitation of ablution facilities at Ngombe Community School and participation in the AITS Fundraising Golf Tournament in support of innovation in schools. These engagements reflect the Institute's ongoing commitment to societal well-being and inclusive development.

Long Term Sustainability

Development of Shungu Namutitima International Conference Centre (SNICC) and Office Complex at the Accountants Park.

During the period under review, the Institute maintained structured and purposeful engagements with prospective developers, financiers, and potential implementation partners both locally and internationally. These engagements focused on evaluating viable partnership structures, appropriate financing models, and sustainable operational frameworks to support the successful implementation of the two strategic development projects. While discussions progressed positively, certain funding prerequisites necessitated further deliberation. As for the SNICC project, discussions with a potential developer have reached an advanced stage. As a result of this, preliminary estimates of the cost of constructing a 3 Star Hotel and a 2500 sitter convention centre stands at USD 240 million dollars. The Institute further engaged a consultant to develop a business proposal for purposes of sourcing finance. Completion of the proposal awaits the inclusion of detailed bills of quantities and drawings by the developer.

In addition to the initiative above, the Institute has been having discussions with potential partners to assist with

coming up with a robust strategy aimed at turning around the viability of the ZICA Property Fund and make it an attractive investment vehicle for members.

Presidents Media Briefings

During the review period, the Institute convened three (3) media briefings addressing matters of national public interest. The briefings were delivered by the ZICA President, Mrs. Yande Mwenye, and provided professional insights and thought leadership on key national issues, including Zambia's economic outlook and growth prospects, fiscal management and debt sustainability, rising food prices and inflationary pressures, energy insecurity and the prolonged power crisis, as well as the need for strengthened public financial management and accountability, particularly in the utilisation of public funds.

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:

- Domestic resource mobilization – the case of value added tax
- Submissions on the Tax and Non Tax 2026 Budget to the Ministry of Finance and National Planning
- The 2026 – 2028 Medium Term Budget Plan and the 2026 Budget Green Paper.
- 2026 Budget Microeconomic and Fiscal Framework.
- 2025 Supplementary budget and 2025 Amended Annual Borrowing Plan
- The 2026 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 2025.
- Consideration of the Customs and Excise (amendment) bill no. 24 of 2025; the Value Added Tax (amendment) bill no.25 of 2025; the Income Tax (Amendment) Bill No.9 of 2025, the Customs.

Tenure of Council

The tenure of office of the ZICA President, Vice President, Six (6) Council Members and three (3) Disciplinary Committee Members has come to an end after serving with diligence. We would like to extend our appreciation for their significant contribution to the service of the Institute.

Acknowledgments

The Institute has achieved significant success in 2025, special gratitude 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 2026.

Sincerely,



Yande Siame Mwenye
PRESIDENT

3

STRATEGY & PERFORMANCE

In 2025, 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 present the key operational achievements and initiatives undertaken to advance ZICA's mandate and strengthen support for the accountancy profession for the year ended 31st December 2025.

Mr. Anthony Bwembya

The Institute recorded strong operational performance across its regulatory, education, membership, and stakeholder engagement functions. The year was characterised by decisive actions aimed at strengthening compliance, improving service delivery, expanding professional capacity, and reinforcing the Institute's role in supporting national development and the accountancy profession. Collectively, these initiatives advanced ZICA's statutory mandate and enhanced its contribution to professional excellence.

During the period under review, the Accountants' Bill was finalized and submitted to the Ministry of Justice to commence the enactment process. The Bill is awaiting to undergo review by the Internal Legislative Committee following which it will be presented to Parliament for enactment.

Further, in order to enhance regulatory compliance among practitioners the Institute successfully held two practitioners forums in May 2025 and September 2025 with a total of 177 practitioners attending.

The Institute successfully hosted key flagship events, including the 40th Annual General Meeting and Pre AGM Workshop, the Annual Business Conference, and the Budget Analysis Dinner among others. Corporate outreach initiatives, encompassing exhibitions, school engagements, and compliance sensitisation activities, further strengthened stakeholder awareness and expanded ZICA's national footprint.

Education and training remained a cornerstone of the Institute's operations. Four (4) examination sittings were successfully conducted during the year, supporting a growing student population of 8,033 enrolled in CA Zambia and diploma programmes. A major milestone was the successful hosting of the inaugural CA Zambia Convocation and annual advocacy awards Ceremony, which formally recognised and conferred the newly qualified Chartered Accountants with the CA Zambia Designation and awarded the deserving persons and organisations for outstanding contribution to the development of the CA Zambia professionals. This event marked a significant step in strengthening the Institute's professional identity. The quality of learning was further enhanced

through updated study materials, accreditation of three additional tuition providers, and approval of 30 exemptible qualifications. The introduction of the Postgraduate Diploma in Taxation also represented a notable advancement, with the inaugural examinations held in December 2025. In addition, 163 trainees were admitted into the practical training programme, while 85 successfully completed it during the year, contributing to the development of competent and ethical accounting professionals. The 19th Graduation Ceremony of the Institute was successfully held during the period under review.

Capacity building initiatives were further strengthened through the delivery of a comprehensive Continuing Professional Development programme. These included Tax Update Workshops, IFRS and IPSAS trainings, the CFOs' Forum, Sustainability and Risk Management programmes, Forensic Audit Training, and the International Executive Retreat. These interventions ensured members remained responsive to emerging industry trends, regulatory developments, and global professional standards.

Operational excellence was further enhanced through the rollout of the Enterprise Resource Planning (ERP) in September 2025 aimed at improving the onboarding process for members and students, streamlining the payment processes and improving the service experience.

In conclusion, the year 2025 marked a period of meaningful operational progress driven by strengthened compliance oversight, education reforms, enhanced member engagement, and strategic partnerships. I extend my sincere appreciation to Council, Members, Management, Staff, students, partners, and all stakeholders for their continued support and commitment. Together, we remain steadfast in our mission to advance professional excellence and uphold the integrity of the accountancy profession.



Anthony Bwembya
Chief Executive Officer

4

FINANCIAL & OPERATIONAL REVIEW

The financial review highlights ZICA's income, expenditure, and surplus for 2025. Operationally, the Institute achieved key milestones in compliance monitoring, membership services, and the continuous professional development of its members.

FINANCIAL HIGHLIGHTS

The Institute delivered strong revenue growth in 2025, although this was offset by a faster increase in expenditure and fair value-related losses. Total income increased from ZMW 86.533 million in 2024 to ZMW 96.061 million in 2025, representing growth of approximately 11%. Income also exceeded the approved budget of ZMW 91.535 million, mainly due to stronger performance in member subscriptions, seminars and workshops, and examination-related income. Despite this positive revenue performance, total expenditure increased from ZMW 84.856 million in 2024 to ZMW 98.672 million in 2025, representing growth of approximately 16%. As a result, the Institute reported a deficit of ZMW 2.611 million, compared to a surplus of ZMW 1.678 million in 2024. The main financial issue was therefore not weak income generation, but the fact that expenditure grew faster than income.

The Institute's revenue base remained anchored on its core mandate of membership, professional development, education and regulation. Revenue from contracts with customers increased from ZMW 81.330 million to ZMW 92.922 million. The largest income streams were member subscriptions of ZMW 35.750 million, seminars and workshops of ZMW 30.878 million, and examinations of ZMW 19.702 million. This confirms that the Institute continues to rely significantly on member subscriptions, CPD activities and student examination services. The growth in subscription income is consistent with the reported active membership growth to 8,665 members.

The increase in expenditure reflected both inflationary pressures and the expanded level of activity across the Institute. Operating expenses increased from ZMW 54.295 million to ZMW 59.449 million, while employee benefit expenses increased from ZMW 27.300 million to ZMW 31.441 million. The main operating cost lines included seminars and workshops, examination expenses, advertising and publicity, AGM expenses, insurance, subscriptions and foreign travel. These costs were broadly linked to the Institute's active programme of CPD delivery, member engagement, education, stakeholder outreach and international collaboration.

Council attributes the expenditure pressure to inflation, exchange rate movements, increased staff costs and statutory remittances. The deficit also includes the reported fraud identified during the year. In addition, the increase in insurance cover for members contributed to higher expenditure, together with higher office expenses, including fuel purchases linked to sustained load management. This should be viewed in the context of a year in which the Institute also increased compliance monitoring, capacity building,

stakeholder engagement, technology integration and ethical standards initiatives.

The reported deficit should also be interpreted alongside non-operating and fair value movements. Other operating expenses of ZMW 3.812 million were recorded in 2025. The fair value of investment properties stood at ZMW 25.3 million, with a fair value decrease of ZMW 5.5 million recognised in profit or loss. This means that the accounting deficit includes valuation effects and does not, on its own, fully reflect the underlying cash-generating capacity of the Institute's core activities.

The statement of financial position remained relatively strong. Total assets increased from ZMW 119.254 million to ZMW 121.797 million. Non-current assets increased to ZMW 109.132 million, supported by property and equipment, right-of-use assets, equity investments and intangible assets. Intangible assets increased from ZMW 4.174 million to ZMW 9.420 million, which is consistent with the Institute's investment in digital transformation and ERP-related initiatives. Equity investments at fair value through other comprehensive income also increased from ZMW 6.867 million to ZMW 10.670 million, supported by a ZMW 3.803 million fair value gain recognised in other comprehensive income.

Liquidity improved in cash terms. Cash and cash equivalents increased from ZMW 3.504 million to ZMW 6.741 million. However, investment securities at amortised cost reduced from ZMW 4.956 million to ZMW 1.849 million, suggesting a partial shift from investment securities into cash resources. Current liabilities increased from ZMW 12.686 million to ZMW 16.384 million, mainly due to the increase in other payables from ZMW 5.546 million to ZMW 10.122 million. Members should therefore consider the improved cash position together with the increase in short-term obligations.

Members' funds increased slightly from ZMW 98.692 million to ZMW 99.885 million, despite the reported deficit. This was mainly because the deficit was offset by fair value gains on equity investments recognised in other comprehensive income. Accumulated funds reduced from ZMW 43.363 million to ZMW 41.517 million, while other reserves increased from ZMW 6.057 million to ZMW 9.882 million. Overall, the Institute remains well capitalised, with members' funds representing approximately 82% of total assets at year-end.

Council has recognised that the Institute's current revenue model remains significantly linked to member-centred revenue generating activities, particularly subscriptions, CPD

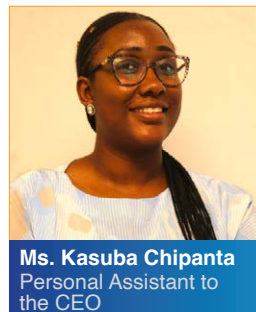
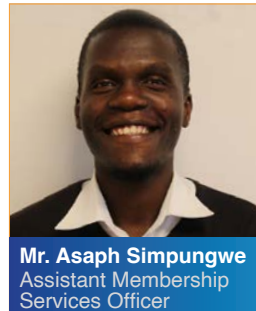
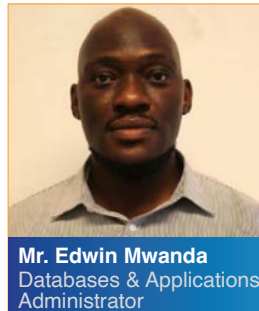
programmes, seminars, workshops and examination-related income. While these income streams performed strongly in 2025, the financial results also demonstrate the need to broaden the Institute’s revenue base and reduce pressure on members over time.

Accordingly, Council has commenced the process of revenue diversification, with implementation focus starting in 2026. The objective is to progressively develop alternative and more sustainable income streams that are less directly dependent on member charges. Once implemented, these initiatives are expected to increase the Institute’s revenue base while avoiding significant additional financial pressure on members. This will be important for supporting long-term sustainability, funding strategic investments and maintaining high-quality member services.

Overall, 2025 was a year of strong operational activity and revenue growth, but with pressure on the bottom line. The Institute expanded its income base, maintained a strong balance sheet, invested in technology and continued to fund member services, education, compliance and stakeholder engagement. The key message to members is that the Institute remains financially stable, but future performance will depend on tighter cost control, stronger conversion of activity into sustainable operating margins, continued growth in core income streams and successful implementation of Council’s revenue diversification agenda.

HUMAN RESOURCE HIGHLIGHTS

During the period under review, the following employees were recruited in 2025:



During the period under review, the Institute separated with the following members of staff:

1. Ms Heather M. Litana - Human Resource and Administration Manager
2. Ms Valerie Nambeye - Practice Review Manager
3. Mr. Joe C. Nsokolo - Management Accountant
4. Mr Charles C. Mutale - Director Finance and Investments

MEMBERSHIP AND CORPORATE SERVICES HIGHLIGHTS

Registration of Members

The number of registered members for the year ended 31st December 2025 was 8,665. The number of retained members for 2025 was 7,952 compared to the numbers of 8566 in 2024 representing a retention rate of 93%.

Category	2024	2025	Variance
Fellow	1,842	1,817	(25)
Associate	855	835	(20)
Graduate	877	895	18
Licentiate	2,618	2,757	139
Technician	2,374	2,361	(13)
Total	8,566	8,665	99

Compliance Audits

The Institute continued to conduct compliance inspections of organizations to ensure that accountants employed therein adhered to the provisions of the Accountants Act of 2008. Within the year, 147 companies across Lusaka, Eastern, Luapula, Central, and Copperbelt Provinces were inspected, of which 21 (14%) were found to be compliant at the time of inspection, while 126 (86%) were non-compliant.

Recognizing the high level of non-compliance, the Institute implemented a Compliance Tracker to monitor all non-compliant organizations. These measures are intended to strengthen enforcement, enhance follow-up, and facilitate the prosecution of employers and accountants practicing without a valid license, in accordance with the Act.

The Institute urges employers and Heads of Finance departments to ensure that all accountants employed are duly registered with the Institute and maintain up to date subscriptions, payable annually by 1st January, to remain compliant with the provisions of the Accountants Act of 2008.

Pre-Annual General Meeting Workshop and AGM

In the year under review, the 40th Annual General Meeting (AGM) and Pre-AGM workshop of the Zambia Institute of Chartered Accountants was held from 21 - 23 May 2025, at Avani Resort and Radisson Blu Hotel in Livingstone under the theme: "Innovation for Growth: The Evolving Role of Accountants in Zambia". The Pre-AGM workshop was attended by 1,542 participants compared to 1,380 participants who attended the event in the year 2024.



ZICA Council led by the ZICA President Mrs Yande Siame Mwenye Presiding over AGM matters at the 40th Annual General Meeting of the Institute.

2026 National Budget Submissions

During the year under review, ZICA made a submission on the Tax and Non-Tax 2026 Budget proposals to the Ministry of Finance and National Planning on 6th June 2025. Further, the Institute took part in the stakeholders' engagement meeting organised by Ministry of Finance and National Planning on the 2026 budget proposals on 30th June 2025. The engagement meeting was attended by Ministry of Finance and National Planning, Ministry of Commerce, ZRA and Bank of Zambia.

2026 National Budget Analysis Dinner

The Institute held the 2026 National Budget Analysis Dinner on 26th September 2025 at Mulungushi international Conference Centre in Lusaka with 850 participants in attendance.



Left to right: ZRA Commissioner General Mr. Dingani Banda, BOZ Governor Dr. Denny Kalyalya, Minister of Finance and National Planning Hon. Dr. Situmbeko Musokotwane MP, ZICA President Mrs Yande Siame Mwenye, ZICA Vice President Mr Joseph Matimba and ZICA CEO Mr Anthony Bwembya at the 2026 National Budget Analysis Dinner held at Mulungushi Conference Centre.

Annual Business Conference (ABC)

The Institute held the Annual Business Conference (ABC) from 27th-29th August 2025 in Livingstone at Avani Victoria Falls Resort with an attendance of 684 participants.

Member Chapters

The Institute's membership chapters remained active during the period under review, contributing meaningfully to professional engagement and community support.

The Southern Province Chapter successfully held its Annual General Meeting, a Tax Update Workshop, a Mental Health Awareness session, a Corruption Prevention and Detection

workshop, an ESG and Sustainability workshop, as well as a Leadership and Ethics workshop. In addition, the Chapter demonstrated corporate social responsibility by donating desks and a water tank to Kazungula Government School.

The Forum for Zambia Women Accountants (FZWA) held its National Symposium, while FZWA Zone 4 organized a breakfast meeting in Livingstone.

The Institute continued to provide the necessary support to chapters requiring assistance in various capacities, thereby reinforcing its commitment to provincial development and enhanced member engagement.

Continuous 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 630 participants.

International Public Sector Accounting Standards (IPSAS) workshop

The IPSAS workshop was held on 27th and 28th March 2025 at Avani Victoria Falls Resort in Livingstone. The workshop was attended by 369 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.

2025 International Financial Reporting Standards (IFRS) Update Workshops

The Institute held two IFRS updates workshops in Lusaka from 6th – 7th November 2025 at Sarovar Hotel and 13th - 14th November 2025 at Kitwe at Garden Court Hotel in Kitwe with a combined attendance of 180 participants.

Sustainability Training Workshop

The Institute held the Sustainability and Risk Management Training Workshop was held on 22nd and 23rd October 2025 in Livingstone David Livingstone Hotel, Livingstone with an attendance of 97 participants.

Chief Finance Officers Forum

The Chief Financial Officer's Workshop was held on Friday, 27th June 2025 at Intercontinental Hotel in Lusaka. The workshop had a total of 106 participants from various organisations.

Forensic Audit Training Workshop

The Forensic Audit Training Workshop was held on 31st July and 1st August 2025 in Siavonga at Savee Beach Resort. The workshop had a total of 111 participants from various organizations.

International Executive Retreat

The International Executive Retreat was held from 16th to 18th July 2025 in Siavonga at Savee Beach Resort. The workshop had a total of 47 participants from both Zambia and Malawi.

Marketing of ZICA Professional Qualifications and Membership Requirements

During the period under review, the Institute actively promoted the ZICA Professional Qualifications and Membership Requirements across multiple platforms. Advertisements were placed on ZICA's social media channels (Facebook, LinkedIn, and Twitter), in the Zambia Daily Mail newspaper, and on various radio stations, including Radio Christian Voice, ZNBC Radio 4, Hot FM, and Phoenix FM.

In addition to the promotional advertisements, the Institute hosted two (2) webinars focused on the exemption waiver process and navigation of the ERP Portal, aimed at enhancing stakeholder understanding and access to ZICA services.

Secondary School and University Visits

The Institute conducted outreach visits to secondary schools in four (4) provinces, namely Northern, Copperbelt, Central, and Lusaka. A total of twenty five (25) schools were visited. The primary objective of these visits was to promote careers in accountancy and educate Grade 11 and 12 pupils on the CA Zambia Professional Qualification and the Diploma in Accountancy as programmes of choice.

Furthermore, the Institute continued to engage university students pursuing Bachelor of Accountancy and other business related programmes. Presentations were delivered to fourth year students, highlighting the importance of student membership and the exemptions available under the CA Zambia programme.

Exhibitions

In the period under review, the Institute participated in several exhibitions aimed at promoting the ZICA Professional Qualifications and enhancing awareness of membership compliance.

Key engagements included participation at the Zambia Institute of Human Resource Management (ZIHRM) Regional Summit and AGM, where the Institute delivered a presentation to over 800 Human Resource professionals. ZICA also exhibited at the Zambia International Trade Fair and the Agricultural and Commercial Show, reaching diverse stakeholder groups.

Corporate Social Responsibility

In line with its commitment to community development, the Institute continued to support Ngombe Community School through the rehabilitation of its ablution facilities. The Institute also participated in the Advocacy for Innovation and Technology in Schools (AITS) Fundraising Golf Tournament. Proceeds from the event were directed towards promoting innovation and technology to enhance teaching and learning in primary and secondary schools across Zambia.

International Collaboration

The Institute maintained strong engagement with Chartered Accountants Worldwide (CAW) through regular virtual meetings and participation in CEO level engagements. We are proud to report that Mr. Anthony Bwembya, Chief Executive Officer of the Zambia Institute of Chartered Accountants (ZICA), was appointed to the Board of Chartered Accountants Worldwide (CAW) during the Board Meeting that took place in London from 17 to 19 November 2025. Further, ZICA sponsored Sitali Chiuyu, the top-performing CA Zambia student, to attend the One Young World (OYW) Summit held in Munich, Germany, from 3–6 November 2025. The delegate participated in several workshops and received extensive profiling on various social media platforms.

Participation in the OYW Summit continues to provide valuable exposure and empowers young leaders to contribute to global dialogue and solutions on pressing world challenges.



ZICA CEO Mr Anthony Bwembya attending the CAW Board meeting in London.

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, Post Graduate Diploma in Taxation, Diploma in Accountancy (DA), Diploma in Public Sector Financial Management (PSFM) and Diploma in Taxation are depicted in the table below:

Programme	Pass Rates			
	March	June	September	December
CA Certificate in Accountancy	68.1%	52.4%	57%	63.6%
CA Application Advanced Diploma in Accountancy	42.3%	47.6%	38.8%	36.5%
CA Advisory Professional in Accountancy	36.8%	27.1%	33.4%	27.7%
Diploma in Accountancy Level 1	52.7%	56.2%	51.6%	46.2%
Diploma in Accountancy Level 2	23.1%	48.9%	31.4%	36.2%
Certificate in Taxation	N/A	75%	N/A	70%
Diploma in Taxation	N/A	63.4%	N/A	63.5%
Diploma in Public Sector Financial Management	N/A	100%	N/A	N/A
Post Graduate Diploma in Taxation	N/A	N/A	N/A	69.9%

Practical Training

One hundred and sixty-three(163) CA Zambia trainees commenced the CA practical training programme bringing the total number of trainees on practical training to 694 as at 31st December 2025 after eighty-five (85) trainees completed and were discharged from Practical training.. Approved Employers where employees completed the training included, Office of the Auditor General, KPMG Zambia, RSM Zambia, PKF Zambia Chartered Accountants, Evelyn Hone College, University of Zambia, Topfin Corporate Solutions Chartered Accountants, Zambia Home Loans, HCL Chartered Accountants, Deloitte Zambia, Minja and Company, EY Zambia, Zambia Compulsory Standards, New Apostolic Church, Ministry of Finance and BDO Zambia.

Number of CA ZM Designates from Inception to date

The figure below shows a summary of CA ZM designates from 2017 to 2025 depicting improvement in the uptake of the CA Zambia practical training programme.

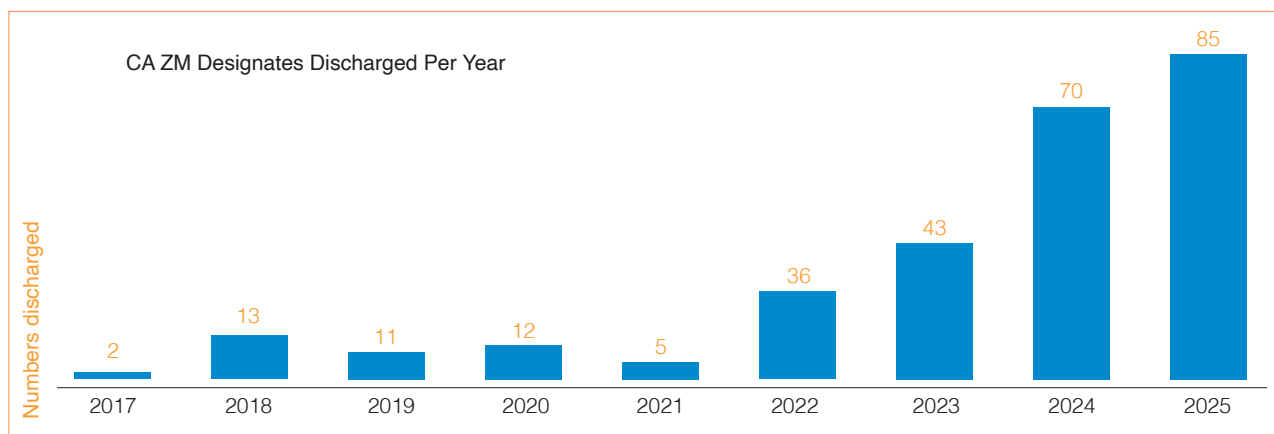


Table 1.1 The cumulative number of CA Zambia designates grew to 277 in 2025.

During the period under review, fourteen (14) Memoranda of Understanding (MoUs) were signed with employers, bringing the accumulated number of Approved Employers to one Hundred and eleven (111). Seventy-seven (77) mentors were accredited to provide mentorship to trainees bringing the total number of mentors to six hundred and one (677).

Practical Training Interviews for Versions 2 and 3

Three (3) sessions of Version 2 & 3, ZICA Professional Practical Training Discharge Interviews were held during the period under review as scheduled in March, July and October.

CA Zambia Convocation and Annual Advocacy Awards Ceremony

The Institute held its inaugural CA Zambia Convocation and Annual Advocacy Awards Ceremony where ninety-three (93) trainees were conferred with the CA (ZM) designation at Radisson Blu Hotel on 8th August 2025. The 93 new CA (ZM) designates are now Associate members of ZICA and brings the number of CA Zambia designates to 277 as at 31st December 2025. The convocation ceremony was preceded by a pre-convocation workshop which encouraged participants to uphold ethics and professionalism and to be torch bearers for the CA Zambia brand. During the Convocation Ceremony, awards were given to BDO Zambia for CA Zambia Training Partner of the year. Further, Mr. Tinashe Jerahuni was presented the CA Zambia Mentor of the year award. The Institute extends its gratitude to all the approved employers and sponsors for the unwavering support during the convocation and awards ceremony. We call upon approved employers and mentors to emulate BDO and Mr Jerahuni respectively in contributing to the development of CA Zambia professionals.



BDO Zambia scooped the CA Zambia Practical Training Partner of the year award

Learning materials/support

During the period under review, ZICA continued to promote the sale of e-books. 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 (2) student conferences; one was held in July 2025 at Garden Court Hotel in Kitwe where over 300 students attended and another in Lusaka at University of Zambia in October 2025 where over 350 students attended. The conferences covered topics relevant in improving students' professional skills not taught during their studies such as; The Future of the Accounting Profession in the Digital Era, the Role of upcoming Accountants in sustainability, Building Financial Independence and Entrepreneurial Skills for Future Accountants, Personal Branding and Networking for Career Advancement, Emotional Intelligence & Mental Wellness in the Accounting Profession.

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, three (3) new student chapters were launched at Kopaline University, Cavendish University and Zambia Catholic University.

This brought the total number of Student Chapters to fifteen (15).



Student Registration

The cumulative number of students as at 31st December 2025 was 8,033 with 5,022 CA Zambia, 2,779 Diploma in Accountancy, 221 Post Graduate Diploma in Taxation and 11 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 which include Personal Leadership Skills, Relational Leadership Skills, Lifelong Learning, Ethical Leadership, Business Acumen, Digital Acumen, Critical Thinking Skills, Decision Making Skills and Social Citizenship. One (1) session of the CA Leadership masterclass was held during the period under review where a total number of 30 candidates attended the masterclass..

2. Institute of Internal Auditors (IIA)

Strategic partnerships progressed, including initiation of engagement with the Institute of Internal Auditors (IIA) Zambia to enable CA Zambia graduates to access the CIA challenge route.

3. Institute of Chartered Accountants of Malawi (ICAM) and Botswana Institute of Chartered Accountants (BICA)

An MoU with Botswana Institute of Accountants (BICA), 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.

Graduation Ceremony

The 19th Graduation Ceremony was successfully held on 22nd August 2025 at Mulungushi International Conference Centre, Old Wing under the theme: “Accounting For a Sustainable Tomorrow: Leading Change, Inspiring Impact”, where 901 candidates graduated in the various qualifications.

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. Thirty (30) qualifications from different Institutions which 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. Post Graduate Diploma in Taxation

The Postgraduate Diploma in Taxation (PGDT) curriculum was launched in March 2025, learning materials developed and the first examinations were held in December 2025.



ZRA Commissioner General Mr. Dingani Banda graced the launch of the Postgraduate Diploma in Taxation.

2. CA Zambia Curriculum Review

The revised CA Zambia qualification was accredited by Higher Education Authority (HEA) and was registered on the National Qualifications framework by Zambia Qualifications Authority (ZAQA) during the period under review. BPP Publishers commenced working on the development of new learning materials, The project commenced in September 2025 and is expected to be concluded in May 2026. The first examination for the CA Zambia revised syllabus are scheduled for December 2026.

3. Diploma in Accountancy Curriculum Review

The revised Diploma in Accountancy curriculum was approved by Council during the period under review. It was subsequently submitted to the Higher Education Authority (HEA) for accreditation, and feedback is currently being awaited.

5

GOVERNANCE & LEADERSHIP

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

GOVERNANCE STRUCTURE

The Institute is a creation of the Accountants Act 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.

PROFILES OF COUNCIL MEMBERS



President

Yande is an accomplished professional whose practice areas encompass accounting, corporate governance and insolvency. She has over 22 years experience in industry and practice. Yande has strong global exposure having worked in the private sector and international audit/ accountancy firms in Africa, Australia and Europe.

Yande is a Fellow of both ZICA and ACCA, a member of the Association of Accounting Technicians (AAT), the Institute of Directors (IOD) and the UN Global Compact (the world's largest voluntary corporate sustainability initiative).

She is Managing Partner of YSM Chartered Accountants, a full service professional firm, and is recognised as a leading figure in the Zambian accounting profession, being amongst the few women that lead an audit practice in the country. Yande has a strong interest in Environment, Social and Governance (ESG) matters, with particular focus on compliance, financial discipline, governance, and corporate responsibility.

She has chaired and served on several corporate and statutory boards in various sectors stretching from regulatory, banking, technology and communication to education.

She is also a co owner of Monyx Estates Limited a company with investments in commercial and residential real estate.

In 2025, Yande was recognized as Business Woman of the Year – Auditing and Accounting Leadership Excellence and Women's Business Leader – National by Zambia Business Awards. She was also recognized as amongst the "100 Zambian Women/Men taking the lead", of distinguished leaders, entrepreneurs and CEOs leveraging their influence and resource to create a lasting impact in Zambia.



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 (FloDZ). Also a holder of an MSc in Project Management from the University of Bolton UK. Has over 21 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 (LSMF EZ) 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.



Member

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

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



Ms. 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 previously served as the Chief Executive Officer of the Zambia International Trade Fair Trust (ZITFT). She is currently the Vice Chairperson of the Public Sector Committee. With over 26 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. Mwale Muloyi Tembo

Member

Mwale M. Tembo, is a seasoned accounting, finance, audit, assurance and governance executive with over 20 years of international leadership experience and institutional stewardship across Europe and Southern Africa.

His career reflects a rare convergence of technical mastery, strategic judgement and values-driven leadership at the highest professional standards. He is a Fellow of ZICA, Associate of CIMA and CGMA, and a member of the Corporate Governance Institute Ireland, IoDZ, and CMAZ.

His experience in mining, technology, FMCG and manufacturing engagements, safeguards audit quality and advises senior executives and boards on governance, risk and financial transparency work that underpins trust in capital markets and public confidence in institutions.

His career spans PwC, EY UK & Ireland, BDO, and Yara International, where he held the role of Business Controller with regional responsibility across Zambia, Malawi, and Mozambique. He has hands-on experience in IFRS, US GAAP, US GAAS, FRS 101 (UKI), FRS 102 (UKI) and CSR by EFRAG.

Mwale is a respected profession-builder, educator, and mentor. He has lectured at undergraduate, postgraduate, and professional levels, delivering IFRS, ACCA, CIMA and ZICA programmes in Zambia, Angola and South Africa. Mwale is the founder and Executive Director of MMT Mentorship Hub, mentoring over 800 aspiring accounting professionals.

A strong advocate for sustainability, responsible finance, and long-term value creation, Mwale holds a Diploma in Sustainability Reporting and champions leadership that prioritises enduring outcomes.

Mwale is the founder of MMT Ventures Holdings Limited an investment vehicle for sustainable solutions, capital, media, corporate governance and professional services in Zambia and Republic of Ireland.



Mr. Susiku Imataa Nasinda

Member

Mr. Nasinda is a Fellow Member of ZICA and ACCA and is a Member of IoDZ. He is a Chartered Accountant, Sustainability Leader and Development Finance Expert with 20 years' work experience in Public Practice (Big 4), quasi-government, and intergovernmental organisations across the energy, agriculture, health, and aviation sectors. He holds a Master of Philosophy in Development Finance from Stellenbosch University (South Africa), and ACCA (UK). Additionally, he is a Certified Expert in Sustainable Finance from Frankfurt School of Finance and Management (Germany).

At ZICA, Susiku Chairs the Public Sector and the Education and Training Committees. He has also held other Board Committee Roles in Audit and Risk and Finance and Administration Committees for prominent Zambian organizations in the energy in public sectors. He is also a Member of the ACCA Global Forum for Public Sector (UK), global Think Tank that advises ACCA and provides professional Insights on Public Policy, Public Financial Management, Governance, Audits. Susiku works as Associate Director – Assurance, Climate Change and Sustainability Services at EY. In this role, supports Listed Entities, Financial Sector Regulators, Multinationals and Large Corporates, SOEs and government as they transition to a more sustainable economy. Previously, he served in Senior Finance roles at the Rural Electrification Authority and Kafue Gorge Regional Training Centre, and has implemented large, multimillion dollar grid and off-grid energy projects funded by the World Bank, SIDA, and USAID.

Susiku is a thought leader, international speaker and mentor. He writes and speaks on macroeconomic policy, ESG, Sustainability, Development Finance, and Renewable Energy, and personal development.



Mr. Andrew Sikwanda

Member

Andrew Sikwanda is an experienced finance and governance professional with a strong track record in audit and assurance, finance, governance, and advisory services across professional practice and industry, with exposure in Zambia, Kenya, and the UK. He has worked with organisations of different sizes and across multiple sectors, leading complex multi-location audits and finance operations while developing expertise in financial management, IFRS reporting, risk and compliance management, internal controls, and strategic decision-making. He is recognised for technical depth, sound judgement, strong leadership, and high ethical standards.

He holds a Master of Commerce in Financial Management from the University of Cape Town, a Bachelor of Accountancy from Copperbelt University, and is a Fellow of both ZICA and ACCA. He also holds postgraduate certifications in IPSAS from ACCA, Sustainable Finance from Cambridge University, and Audit Practice from ZICA.

As part of his service to the profession, Andrew serves on the ZICA Council as Technical Chairperson and Deputy Chairperson of the Finance and Administration Committees, while continuing to support the development of the accountancy profession in Zambia through technical leadership and training.



Ms. Changwe Mulimbika

Member

Changwe Mulimbika is a seasoned finance and governance professional with over 20 years of experience in financial management, corporate governance, and strategic leadership across the banking and private sectors. She is also an entrepreneur and the Co-Founder and Lead Consultant at Alpha Acuity Solutions Limited, a leadership, governance, and capacity-building firm that delivers mentorship programmes, leadership development initiatives, and financial literacy platforms aimed at strengthening human capital and ethical leadership.

Changwe is a Fellow of both the Association of Chartered Certified Accountants (ACCA) and the Zambia Institute of Chartered Accountants. She holds a Master of Business Administration from Heriot-Watt University and a Bachelor of Science in Applied Accounting from Oxford Brookes University. She is also a member of the Institute of Directors Zambia, reflecting her strong commitment to sound corporate governance and board leadership.

Changwe Mulimbika is the National Coordinator of the Forum for Zambia Women Accountants, and has since October 2020, served on the Council of the Zambia Institute of Chartered Accountants, where she has held several leadership roles including Vice Chairperson of the Finance and Administration Committee, Chairperson of the Education and Training Committee, and Vice Chairperson of the Membership Committee, contributing to the development and strengthening of the accounting profession.

She also brings extensive governance experience, having served and continuing to serve on several boards in both private sector institutions and public entities, where she contributes her expertise in finance, risk management, and institutional oversight.

Changwe is passionate about mentoring emerging professionals and advancing inclusive leadership, particularly in creating pathways for women and young professionals to thrive in the accounting and finance profession.



Mr. Nathan Mutale

Member

Mr. Mutale is a fellow member of ZICA with over 15 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. Mr Mutale transitioned 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. Kingford Kalobi

Member

Kingford Kalobi is a distinguished Executive Director and Chief Financial Officer, and Consultant with over 18 years of cross-industry executive experience spanning public, private, and international development organizations. A Fellow of both ZiCA (Zambia) and ACCA (UK), Kingford holds a Master of Science in Professional Accountancy from the University of London, alongside an ACCA Advanced Diploma in Accounting and Business. His expertise is further endorsed by other global certifications in Finance and leadership from the World Bank and UNICEF.

Kingford is a ZiCA Council member and chairperson of the Audit and Risk Management Committee. A results-driven finance executive and a systems thinker at heart, Kingford has held several senior executive roles such as Group Chief Financial Officer at KSM Group of Companies, Head of Finance at Lukanga Water Supply and Sanitation Company, Finance & Information Systems Manager at WaterAid Zambia and other entities, consistently delivering on strategic growth. His versatile finance leadership style blends business acumen, governance precision, and business process re-engineering, to optimize organizational workflows, enhance boardroom influence, and drive sustainable growth.

He serves on various national boards and advisory committees, including Zambia's Ministry of Finance Public Investments Technical Committee; helping shape strategic investment priorities for the National Budget, The Zambia National STEM Foundation; championing the growth of Science, Technology, Engineering and Mathematics in the country.

Beyond corporate finance leadership, Kingford is a thought leader, and a published Author on contemporary finance, business strategy, financial markets and economic affairs; committed to advancing industry dialogue. An enthusiastic cyclist and a dedicated marathon runner, he is passionate about long-distance rides and runs, championing wellness through an active fitness lifestyle.



Mr. Kawina Muneku

Member

Kawina Muneku is a finance and audit professional with over 14 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.

2025 MEETING ATTENDANCE OF COUNCIL AND COMMITTEE'S OF COUNCIL

The Council

The 2025 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	<i>President</i>	9	9	9
2	Mr. Joseph Matimba	<i>Vice-President</i>	9	9	9
3	Ms. Changwe Mulimbika	<i>Council Member</i>	9	9	9
4	Mr. Mulendo Siame	<i>Council Member (Retired May 2025)</i>	9	1	1
5	Mr. Susiku Imataa Nasinda	<i>Council Member</i>	9	9	9
6	Mr. Kawina Muneku	<i>Council Member</i>	9	9	9
7	Mr. Andrew Sikwanda	<i>Council Member</i>	9	9	9
8	Mr. Mwale Muloyi Tembo	<i>Council Member</i>	9	9	8
9	Mr. Nathan Mutale	<i>Council Member</i>	9	9	9
10	Ms. Nsandi Manza	<i>Accountant General</i>	9	9	3
11	Ms. Kingford Kalobi	<i>Council Member</i>	9	8	8
12	Ms. Hellen Kalumbi	<i>Council Member</i>	9	9	7

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 2025 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	<i>Chairperson</i>	5	5	5
2	Andrew Sikwanda	<i>Vice Chairperson</i>	5	5	5
3	Mathews Phiri	<i>Member</i>	5	5	5
4	Kantu Hachongo	<i>Member</i>	5	4	4
5	Chikatizyo Musonda	<i>Member</i>	5	3	3

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 2025 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	<i>Chairperson</i>	4	4	4
2	Ms. Hellen Kalumbi	<i>Vice Chairperson (Appointed August 2025)</i>	4	2	2
3	Mr. Nathan Mutale	<i>Vice Chairperson Transferred August 2025</i>	4	2	2
4	Mr. Bornwell Mpofu	<i>Member</i>	4	4	2
5	Ms. Nancy Muchindu Mwamba	<i>Member</i>	4	4	3
6	Ms. Alice Tembo	<i>Member</i>	4	4	4
7	Ms. Mercy Malisawa	<i>Member</i>	4	4	4
8	Ms. Esther Kaonga Muntengwa	<i>Member</i>	4	4	3

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 2025 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	<i>Chairperson (Retired May 2025)</i>	4	1	1
2	Mr. Kawina Muneku	<i>Chairperson (Appointed May 2025)</i>	4	3	3
3	Ms. Changwe Mulimbika	<i>Vice Chairperson (Replaced October 2025)</i>	4	3	2
4	Mr. Martin Kalilo	<i>Member</i>	4	4	3
5	Mr. Bwembya Chanda	<i>Member</i>	4	4	4
6	Mr. Simon Mtonga	<i>Member</i>	4	4	3
7	Mr. Bernas Phiri	<i>Member (Retired August 2025)</i>	4	2	0
8	Ms. Susan M Fwemba	<i>Member (Appointed August 2025)</i>	4	1	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 2025 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	Mr. Susiku Imataa Nasinda	<i>Chairperson (Appointed October 2025)</i>	5	3	3
2	Ms. Changwe Mulimbika	<i>Chairperson (Replaced October 2025)</i>	5	3	2
3	Mr. Mwale Muloyi Tembo	<i>Vice Chairperson (Replaced October 2025)</i>	5	3	3
4	Mr. Kraus Babbi	<i>Member</i>	5	5	3
5	Dr. Edward Lusambo	<i>Member</i>	5	5	4
6	Mr. Kennedy Bowa	<i>Member</i>	5	5	4
7	Mr. Sylvester Mhone	<i>Member</i>	5	5	3
8	Mr. Robert Phiri	<i>Member</i>	5	5	4

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 2025 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. Kingford Kalobi	<i>Chairperson (Appointed October 2025)</i>	6	4	4
2	Mr. Mwale Muloyi Tembo	<i>Chairperson (Replaced October 2025)</i>	6	1	1
3	Mr. Kawina Muneku	<i>Chairperson (Transferred to Membership Committee July 2025)</i>	6	2	2
4	Ms. Hellen Kalumbi	<i>Vice Chairperson (Transferred to Public Sector Committee July 2025)</i>	6	2	2
5	Ms. Hlupekile Luhana	<i>Member</i>	6	6	3
6	Ms. Tabitha Kaunda Mangomba	<i>Member</i>	6	6	6
7	Mr. Samuel Kapelwa Lipimile	<i>Member</i>	6	6	6
8	Mr. Raymond Bwembya	<i>Member</i>	6	6	6

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 2025 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	<i>Chairperson</i>	4	4	4
2	Mr. Nathan Mutale	<i>Vice Chairperson</i>	4	3	3
3	Mr. Kawina Muneku	<i>(Transferred May 2025)</i>	4	1	1
4	Ms. Thulile Kavimba Mumba	<i>Member</i>	4	4	4
5	Mr. Kelvin Chungu	<i>Member</i>	4	4	2
6	Mr. Tinashe Jerahuni	<i>Member</i>	4	4	3
7	Ms. Rabecca Hichilo	<i>Member</i>	4	4	3
8	Mr. Aptone Banda	<i>Member</i>	4	4	4
9	Mr. Eleutherious Syamutondo	<i>Member</i>	4	4	4

Taxation 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 2025 Membership and attendance statistics for the Technical Committee are as shown below:

No.	Name		Meetings Held	Meetings Eligible to attend	Meetings Attended
1	Mr. Nathan Mutale	<i>Chairperson</i>	4	4	4
2	Mr. Kawina Muneku	<i>Vice Chairperson</i>	4	3	3
3	Mr. Mulendo Siame	<i>(Retired May 2025)</i>	4	1	1
4	Mr. Michael Phiri	<i>Member</i>	4	4	4
5	Mr. Obert Kangwa	<i>Member</i>	4	4	4
6	Mr. Patrick Mawire	<i>Member</i>	4	4	4
7	Mr. George Chitwa	<i>Member</i>	4	4	3
8	Mr. Elalio Mwansa	<i>Member</i>	4	4	3
9	Ms. Monika Kumar	<i>Member</i>	4	4	4
10	Mr. Chrispin Daka	<i>Member</i>	4	1	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 Management (ISQM 1 & 2).

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.

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.



Violet Lichaha

Acting Director Finance and Investments

Ms Violet Lichaha is a fellow member of ZICA with over 20 years in leadership. Her experience stems from regulatory compliance, quality management, financial management and reporting, change management, education management, risk management, audit and tax planning and delivery, design and testing of internal controls, administration and relationship management. She has previously served as Audit Quality Review Manager, Regional Manager, Audit senior, head tax department and headteacher for a renowned trust school where she was instrumental in raising funds for construction and operations.



Patricia Mukang'andu Hantumba

Director Membership and Corporate Services

Ms Hantumba is a Fellow of ZICA with over 25 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 22 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 23 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.

5

ANNUAL FINANCIAL STATEMENTS

The financial statements for the year ended 31st December 2025 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	<p>The Zambia Institute of Chartered Accountants (ZICA, referred to as the "Institute") is the regulatory body of Accountants in Zambia.</p> <p>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</p>
Taxpayer identification number	1002330680
Business address	Accountants Park 2374/a Thabo Mbeki Road P.O 32005 Lusaka
Bankers	<p>Stanbic Bank Zambia Limited Stanbic House Plot 2375 Addis Ababa Drive P.O. Box 31955 Lusaka</p> <p>Zambia National Commercial Bank Plc Centre Branch P.O. Box 33611 Lusaka</p> <p>First National Bank Limited Stand Number 22767 P.O. Box 36187 Lusaka</p> <p>ABSA Bank Zambia Plc Addis Ababa Roundabout P.O. Box 31936 Lusaka</p>
Solicitors	<p>AB and David Plot No. 3168 Independence Avenue P.O. Box 38704 Lusaka</p> <p>Sikaulu Lungu Mupeso Legal Practitioners 4 Matandani Close off Lubuto Road Rhodes Park Lusaka</p> <p>Musa Dudhia & Co 2nd Floor, ALN House P.O Box 31198 Lusaka</p>
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 2025.

Activities

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

Financial results

	2025	2024
	ZMW'000	ZMW'000
Income	96,061	86,533
Expenditure	(98,672)	(84,855)
(Deficit)/Surplus	(2,611)	1,678

Operations

The Institute continued 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	
Mr. Joseph Matimba	Vice president
Mr. Susiku Imataa Nasinda	Member
Mr. Kawina Muneku	Member
Mr. Mulendo Siame	<i>Retired May 2025</i>
Mr. Mwale Muloyi Tembo	Member
Ms. Changwe Mulimbika	Member
Mr. Nathan Mutale	Member
Mr. Andrew Sikwanda	Member
Ms. Hellen Kalumbi	Member
Ms. Nsandi Manza	Member
Mr. Kingford Kalobi	<i>Elected May 2025</i>

Report of the Council (continued)

Declaration of interest

None of the Council Members had any material interest in any contracts awarded during the year (2024: Nil)

Employees and their remunerations

The total remuneration of employees during the year amounted to ZMW31.44 million (2024: ZMW27.30 million) and the average number of employees was 49 (2024:46)

Capital Expenditure

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

	2025	2024
	ZMW	ZMW
Computer equipment	789,902	933,311
Motor vehicles	-	1,490,711
Buildings	505,144	71,340
Furniture and fittings	148,712	184,475
Office equipment and machinery	-	365,835
Library books	5,692	-
Total	1,449,450	3,045,672

Health and safety

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

Auditors

Mark Daniels Chartered Accountants 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: 24 April 2026

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 of 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.

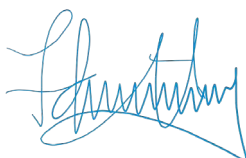
These controls are monitored throughout the Institute, and all employees are required to maintain the highest ethical standards in ensuring the Institute's activities are conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Institute is on 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 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 2027 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 77 which have been prepared on the going concern basis, were approved by the Council on 24 April 2026 and were signed on its behalf by:



.....
Yande Siame Mwenye
President



.....
Joseph Matimba
Chairperson, Finance and Administration Committee



Independent Auditor's Report

To the members of Zambia Institute of Chartered Accountants

Report on the audit of the annual financial statements

Opinion

We have audited the accompanying financial statements of the Zambia Institute of Chartered Accountants, which comprise the Statement of financial position as at 31 December 2025, 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 2025, 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 matters 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
<p>Valuation of right of use-investment properties-ZMW 25.3 million</p> <p>The fair value of the Institute's investment properties as at 31 December 2025 was ZMW 25.3 million. A decrease in fair value amounting to ZMW 5.5 million was recognised in the statement of profit or loss for the year then ended. The revalued right of use investment properties comprise Livingstone Lot No. 19912/M and Farm No. 9012. The fair value was determined by management based on independent valuations prepared by an external property valuer.</p> <p>We identified the valuation of investment properties as a key audit matter because it involves significant judgment and represents a material component of the Institute's total assets. The valuation is highly dependent on estimates and assumptions, including historical and market transactions as well as market knowledge. In accordance with the Institute's policy, property valuations are performed by external experts at least annually. Given the estimation uncertainty and the importance of this balance, we considered this area to be a key audit matter.</p>	<p>Our audit procedures to assess the valuation of right of use-investment properties included the following:</p> <ul style="list-style-type: none"> • Considered the objectivity, independence and expertise of the external valuers. • Reviewed the valuation methodology applied to ensure consistency with IFRS requirements and industry practice. • Assessed whether the Institute's revaluation policy was applied consistently. • 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.

Independent Auditor's Report (continued)

Auditor's Responsibility for the Audit of the Financial Statements

Our Objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

24 April 2026

WKKK Kasongo

Winston Kasongo AUD/F003127


Partner signing on behalf of the firm

Statement of Financial Position

	Note	2025 ZMW	2024 ZMW
ASSETS			
Non-current assets			
Property and equipment	3	26,267,638	27,091,332
Investment property under development	4	2,221,739	2,221,739
Intangible assets	6	9,420,159	4,174,163
Right of use assets	15.2	60,011,626	64,966,881
Equity investments at FVOCI	5	10,670,249	6,867,009
Financial Assets at amortised cost	9	540,581	450,994
		109,131,992	105,772,118
Current assets			
Inventories	8	2,239,970	2,003,593
Financial Assets at amortised cost	9	671,522	1,177,563
Other Assets	11	1,164,431	1,839,947
Investment securities at amortised cost	7	1,848,630	4,956,308
Cash and cash equivalents	12	6,740,652	3,504,285
		12,665,205	13,481,696
Total assets		121,797,197	119,253,814
MEMBERS' FUNDS and LIABILITIES			
Accumulated funds		41,517,182	43,362,945
Revaluation reserve		48,485,958	49,272,081
Other reserves		9,881,650	6,057,335
		99,884,790	98,692,361
Non-current liabilities			
Employee liabilities	13	2,558,370	2,704,296
Lease liabilities	15.3	2,575,466	2,455,213
Deferred income	16	394,169	2,716,296
		5,528,005	7,875,805
Current liabilities			
Other payables	14	10,122,043	5,545,813
Lease liabilities	15.3	810,560	757,613
Contract liabilities	17.1	5,451,799	6,382,222
		16,384,402	12,685,648
Total members' funds and liabilities		121,797,197	119,253,814

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 77 were approved by the Council on 24 April 2026 and were signed on its behalf by:



Yande Siame Mwenye
President



Joseph Matimba
Chairperson, Finance and Administration Committee

The notes on pages 45 to 77 are an integral part of these financial statements.

Statement of profit or loss and other comprehensive income

	Note	2025 ZMW	2024 ZMW
Income			
Revenue from contracts with customers	17	92,921,912	81,330,426
Operating income	18	-	3,124,676
Finance income	19.1	817,219	1,054,586
Capital grant amortised	16	2,322,127	1,023,701
Total income		96,061,258	86,533,389
Expenditure			
Finance cost	19.2	546,891	547,157
Operating expenses	22	59,449,326	54,295,103
Other operating expense	18	3,812,417	-
Depreciation and amortization	21	3,504,266	2,677,252
Employee benefits expenses	23	31,440,610	27,299,684
Expected credit (gain)/loss	10	(81,441)	36,455
Total expenditure		98,672,069	84,855,651
(Deficit)/ surplus for the year before tax		(2,610,811)	1,677,738
Income tax expenses	20	-	-
(Deficit)/ surplus for the year after tax		(2,610,811)	1,677,738
Other Comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain on equity investments at FVOCI	5	3,803,240	1,370,978
Gain on revaluation of property and equipment	3	-	10,401,379
Other comprehensive income for the year		3,803,240	11,772,357
Total comprehensive income for the year		1,192,429	13,450,095

The notes on pages 45 to 77 are an integral part of these financial statements.

Statement of Cash flows

	Note	2025 ZMW	2024 ZMW
Cash flows from operating activities			
(Deficit)/Surplus for the year		(2,610,811)	1,677,738
Adjustments to reconcile surplus to net cash flow			
Depreciation of property and equipment	3	2,273,144	1,563,989
Depreciation of right of use assets	15.2	717,455	882,969
Change in fair value of right of use-investment property	15.2	5,533,778	(2,254,000)
Amortization of intangible assets	6	861,560	230,294
Lease write back	15.3	(281,960)	-
Exchange differences	15.4	(477,826)	212,292
Capital grant amortised	16	(2,322,127)	(1,023,701)
(Profit) or loss on disposal of property and equipment	18	(5,713)	5,400
Interest received	19.1	(544,850)	(890,823)
Dividend received	19.1	(272,369)	(163,762)
Finance cost from obligations under leases	19.2	546,891	547,157
		3,417,172	787,553
Changes in working capital			
Increase in inventories	8	(236,377)	(324,584)
Decrease/(increase) in staff loans and advances at amortised cost	9	416,454	(322,996)
Decrease/(increase) in other receivables	11	675,516	(1,560,693)
Decrease in employee benefits	13	(145,926)	(2,672,588)
Increase in other payables	14	4,576,230	2,127,050
(Decrease)/increase in contract liabilities	17.1	(930,423)	2,778,501
Net cash inflows from operating activities		4,355,474	24,690
Cash flows from investing activities			
Purchase of property and equipment	3	(1,449,450)	(3,045,672)
Government grant received	16	-	527,189
Acquisition of intangible assets	6	(6,107,556)	(2,381,736)
(Investment)/redemption of investment securities at amortised cost	7	3,107,678	247,370
Additions to right of use asset	15.2	(230,128)	-
Proceeds from disposal of property and equipment	18	5,713	25,517
Acquisition of investment property	4	-	(222,268)
Dividend received	19.1	272,369	163,762
Interest received	19.1	544,850	890,823
Net cash flows utilized in investing activities		(3,856,524)	(3,795,015)
Cash flows from financing activities			
Payment of lease liabilities-Interest	19.2	(546,891)	(547,157)
Payment of lease liabilities - Principal	15	(132,864)	(239,255)
Net cash used in financing activities		(679,755)	(786,412)
Increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		3,504,285	7,273,469
Cash and cash equivalents at end of the year	12	6,740,652	3,504,285

The notes on pages 45 to 77 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 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
Balance at 1 January 2025	5,834,238	223,097	6,057,335	43,362,945	49,272,081	98,692,361
Deficit for the year	-	-	-	(2,610,811)	-	(2,610,811)
Gain on equity investments	3,803,240	-	3,803,240	-	-	3,803,240
Amortization	-	-	-	786,123	(786,123)	-
Funds transfer	-	21,075	21,075	(21,075)	-	-
Balance at 31 December 2025	9,637,478	244,172	9,881,650	41,517,182	48,485,958	99,884,790

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

The notes on pages 45 to 77 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 conform 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 following amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for annual periods beginning on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendment to IAS 21- Lack of Exchangeability

The Institute has adopted the amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates, published in August 2023, for the first time in the current year. The amendments specify how an entity should assess whether a currency is exchangeable and how to determine a spot exchange rate when exchangeability is lacking. They also require disclosure of information that enables users of financial statements to understand how non-exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows. Adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Material accounting policies continued

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 assets does not differ materially from its fair value.

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

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

Library books are capitalised and recognised as non-current assets when purchased. The institute does not depreciate library books, as they are considered to have an indefinite useful life due to their enduring educational and reference value. Instead, library books are carried at cost less any impairment losses.

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.

Material accounting policies continued

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 realisable 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 realisable value is the estimated selling price in the ordinary course of business less any selling expenses.

2.5 Revenue from contracts with customers

The Institute recognises revenue from the following major sources:

- Annual subscription
- Subscription arrears
- Registration and entry fees
- Competence Practice 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

Material accounting policies continued

2.5 Revenue from contracts with customers continued

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).

Other assets

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

Interest and similar income/expense

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

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

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.

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.

Material accounting policies continued

2.9 Employee benefits

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

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

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

2.10 Financial instruments – initial recognition

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. 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.

Financial instruments – initial recognition

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:

Financial assets and liabilities

Financial assets at amortised cost includes non-derivative financial assets with fixed or determinable payments that were not quoted in an active market, other than those:

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

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

Material accounting policies continued

2.10 Financial instruments – initial recognition continued

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 assets 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.

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 financial asset, 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.

Material accounting policies continued

2.10 Financial instruments – initial recognition continued

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 the financial 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 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

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.

2.10 Derecognition of Financial assets

Substantial Modification

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.

Derecognition of 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.

Material accounting policies continued

2.10 Financial instruments – initial recognition continued

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 12 months 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 debt instruments into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: When debit instruments are first recognised, the Institute recognises an allowance based on 12 months ECLs. Stage 1 debt instruments also include facilities where the credit risk has improved and the debit instrument has been reclassified from Stage 2.
- Stage 2: When a debt instrument 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 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.

Material accounting policies continued

2.10 Financial instruments – initial recognition continued

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

Overview of the ECL principles

The mechanics of the ECL method are summarised below:

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

The mechanics of the ECL method are summarized below

Forward looking information

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

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

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

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.

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.

Material accounting policies continued

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 Members' Fund

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

2.14 Leases

The Institute as a lessee

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

The lease liability is initially measured as 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.

Material accounting policies continued

2.14 Leases Continued

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 will be 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.

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

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

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

2.15 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:

Material accounting policies continued

2.15 Material accounting judgments, estimates and assumptions (Continued)

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

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 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, plant and equipment and investment properties

Investment properties and property, plant 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 and 9 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

Material accounting policies continued

2.15 Material accounting judgments, estimates and assumptions (Continued)

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

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

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

2.16 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.

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.

Material accounting policies continued

2.16 Standards issued but not yet effective (Continued)

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

2025 Cost/revaluation	Buildings	Motor vehicles owned	Furniture, fittings and equipment	Office equipment	Computers	Library books	Total
	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
At 1 January 2025	22,603,000	4,058,704	2,419,617	2,029,313	5,081,133	87,722	36,279,489
Additions	505,144	-	148,712	-	789,902	5,692	1,449,450
Disposal	-	-	(54,350)	(23,505)	(218,881)	-	(296,736)
At 31 December 2025	23,108,144	4,058,704	2,513,979	2,005,808	5,652,154	93,414	37,432,203
Depreciation							
At 1 January 2025	-	2,298,654	1,964,996	1,414,282	3,510,225	-	9,188,157
Charge for the year	651,479	709,410	160,170	167,296	584,789	-	2,273,144
Write-back on disposal	-	-	(54,350)	(23,505)	(218,881)	-	(296,736)
At 31 December 2025	651,479	3,008,064	2,070,816	1,558,073	3,876,133	-	11,164,565
Net book value							
At 31 December 2025	22,456,665	1,050,640	443,163	447,735	1,776,021	93,414	26,267,638
2024 Cost/revaluation	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

Notes to the financial statements (continued)

3 Property and Equipment 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:

	2025 ZMW	2024 ZMW
Cost	9,166,561	8,661,417
Accumulated depreciation and impairment	(3,435,807)	(3,206,643)
Net carrying amount	5,730,754	5,454,774

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

	2025 ZMW	2024 ZMW
Opening balance	2,221,739	1,999,471
Additions	-	222,268
Closing balance	2,221,739	2,221,739

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 31 Dec 2025	Market value as at 31 Dec 2024	Capital appreciation/ (dep)	Market value as at 31 Dec 2025
	ZMW	ZMW	ZMW	ZMW	ZMW
Zambia National Commercial Bank Plc	250,000	5.98	1,385,000	110,000	1,495,000
Standard Chartered Bank Zambia Plc	87,949	2.55	233,065	(8,795)	224,270
Zambeef Products Plc	50,000	2.20	106,500	3,500	110,000
Zambia Sugar Plc	100,000	66.97	3,605,000	3,092,000	6,697,000
Copperbelt Energy Corporation Plc	111,087	19.30	1,537,444	606,535	2,143,979
			6,867,009	3,803,240	10,670,249

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 2025	792,758	165,261	3,216,144	4,174,163
Additions	3,205,784	1,854,094	1,047,678	6,107,556
Amortisation	(165,776)	(695,784)	-	(861,560)
Transfer	342,500	452,500	(794,700)	-
At 31 December 2025	4,174,766	1,776,071	3,469,122	9,420,159

	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

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 ZMW 3,469,122 includes costs related to the ERP ZMW 1,047,678 and Syllabi development, ZMW 2,421,444.

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

Notes to the financial statements (continued)

	2025 ZMW	2024 ZMW
7. Investment securities at amortised cost		
Government Bond	1,000,000	-
Treasury Bills	873,667	-
Fixed Deposit	-	5,023,346
Expected credit losses	(25,036)	(67,038)
	1,848,630	4,956,308

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.

As at 31 December 2025

Internal Rating Grade	Stage 1	Total
Performing high Grade	(25,036)	(25,036)
Total	(25,036)	(25,036)

As at 31 December 2024

Internal Rating Grade	Stage 1	Total
Performing high Grade	(67,038)	(67,038)
Total	(67,038)	(67,038)

The ECL allowance as at the 31 December 2025 was ZMW 25,036 (2024: ZMW 67,038).

A reconciliation of the ECL is shown below:

Fixed deposits		
Opening balance	67,038	34,322
Expected credit (gain)/ loss	(42,002)	32,716
At 31 December	25,036	67,038

Average annual rates

Institution

Stanbic Bank Zambia Limited fixed deposit	7.5%	15%
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8. Inventories

Study manuals	2,239,970	2,003,593
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The cost of inventories recognised as an expense during the year was ZMW 829,912 (2024: ZMW 1,045,531). Inventory written off in the year was ZMW12,159 (2024: ZMW Nil)

Notes to the financial statements (continued)

	2025 ZMW	2024 ZMW
9. Financial Assets at amortised cost		
Staff loans	270,968	1,282,179
Staff advances	905,435	350,117
Expected credit losses	35,700	(3,739)
Closing balance	1,212,103	1,628,557

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.

As at 31 December 2025

Internal Rating Grade	Stage 1	Total
Performing high Grade	35,700	35,700
Total	35,700	35,700

As at 31 December 2024

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

ECL (reversal)/ allowance as at 31 December 2025 was 35,700 ZMW (2024 was of ZMW 3,739).

A reconciliation of the ECL as at 31 December 2025 is shown below:

Staff loans and advances		
At 01 January	3,739	-
Expected credit (reversal)/ loss (ECL) credit	(39,439)	3,739
At 31 December	(35,700)	3,739

Analysis of classification as follows:

Current asset		
Staff loans and advances (short term component)	671,522	1,177,563
	671,522	1,177,563
Non-current assets		
Staff loans and advances (long term component)	540,581	450,994
	1,212,103	1,628,557
Average annual rates	15%	15%

10. Expected credit losses

Opening balance	70,777	34,321
For the year	(81,441)	36,455
Closing expected credit (reversal)/ loss	(10,664)	70,777

Notes to the financial statements (continued)

10 Expected Credit Loss continued

2025
ZMW

2024
ZMW

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

As at 31 December 2025	Stage 1	Collective	Stage 2 and 3	Collective	Total
	Individual		Individual		
	ZMW	ZMW	ZMW	ZMW	ZMW
Cash and cash equivalents	-	-	-	-	-
Staff loans and advances	(35,700)	-	-	-	(35,700)
Investment Securities	25,036	-	-	-	25,036
Total Impairment loss	(10,664)	-	-	-	(10,664)

As at 31 December 2024	Stage 1	Collective	Stage 2 and 3	Collective	Total
	Individual		Individual		
	ZMW	ZMW	ZMW	ZMW	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

11. Other receivables

Sundry debtors	536,221	1,246,940
Prepayments	628,210	593,007
	<u>1,164,431</u>	<u>1,839,947</u>

12. cash and cash equivalents

Cash at bank	6,740,652	3,502,845
Cash on hand	-	1,440
	<u>6,740,652</u>	<u>3,504,285</u>

13. Employee liabilities

Balance at 1 January	2,704,296	5,376,884
Provision	5,334,348	4,321,793
Paid during the year	(2,704,296)	(3,908,738)
Less short term portion (note 14)	(2,775,978)	(3,085,643)
Long term portion	<u>2,558,370</u>	<u>2,704,296</u>

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

Notes to the financial statements (continued)

	2025 ZMW	2024 ZMW
14. Other payables		
Accruals	3,578,577	1,135,580
Sundry creditors	3,653,522	1,102,590
Employee liabilities (note 13)	2,775,978	3,085,643
Benevolent fund	113,966	222,000
	10,122,043	5,545,813

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 ZMW	Land ZMW	Motor Vehicle ZMW	Investment Property ZMW	Total ZMW
At 01 January 2024	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
Additions	1,065,850	110,128		120,000	1,295,978
Depreciation charge for the year	(106,585)	(351,179)	(259,691)	-	(717,455)
Fair value loss	-	-	-	(5,533,778)	(5,533,778)
At 31 December 2025	959,265	33,436,638	326,723	25,289,000	60,011,626

- (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.

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.

Notes to the financial statements (continued)

15 Leases continued

	2025 ZMW	2024 ZMW
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15.3 Lease liabilities

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

	Land ZMW	Building ZMW	Motor Vehicle ZMW	Total ZMW
At 01 January 2024	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
Payments made during the year	(268,560)	(182,247)	(228,948)	(679,755)
Accretion of interest	268,538	191,853	86,500	546,891
Translation difference	(477,826)	-	-	(477,826)
Additions	-	1,065,850	-	1,065,850
Write back	-	(491,401)	209,441	(281,960)
At 31 December 2025	2,065,655	1,075,456	244,916	3,386,026

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:14.5 percent and 2024: 22.16 percent.

Current	810,560	757,613
Non-current	2,575,466	2,455,213
	3,386,026	3,212,826

The maturity analysis of lease liabilities are disclosed below in 15.6

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

Depreciation expense of right-of-use assets	717,455	882,969
Interest expense on lease liabilities	546,891	547,157
Exchange difference	(477,826)	212,292
	786,520	1,642,418

15.5 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:

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	635,000	8,975,000	9,610,000

Notes to the financial statements (continued)

	2025 ZMW	2024 ZMW
16. Deferred income		
Non-Current		
Grants		
Opening balance	2,716,295	3,212,808
Additions	-	527,189
Amortization	(2,322,127)	(1,023,701)
Closing balance	394,169	2,716,296

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.

The Institute received support in the form of a grant from the World Bank for the development of the curriculum for the Chartered Accountant (CA) Zambia Programme. The grant is recognised in the profit or loss on a systematic basis over a five year period.

Notes to the financial statements (continued)

2025
ZMW

2024
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 2025

Revenue Type	Subscriptions	Seminars	Examinations	Certification	Manuals	Total
Types of goods and services:	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Annual Subscriptions	32,029,975	-	-	-	-	32,029,975
Subscriptions arrears	2,641,940	-	-	-	-	2,641,940
Registration fees	1,078,552	-	365,836	-	-	1,444,388
Registration fees	-	-	273,380	-	-	273,380
Competence examination exams	-	-	-	-	-	-
Firm registrations fees	-	-	-	4,093,560	-	4,093,560
Practicing certificate fees	-	-	670	-	-	670
Exemption fees	-	-	19,062,442	-	-	19,062,442
Examination fees	-	-	-	-	-	-
Entry fees	-	30,878,375	-	-	-	30,878,375
Seminars & workshops	-	-	-	-	2,497,182	2,497,182
Manuals sales	-	-	-	-	-	-
Total revenue from contracts with customers	35,750,467	30,878,375	19,702,328	4,093,560	2,497,182	92,921,912
Timing of revenue recognition						
Transferred at a point in time	3,720,492	30,878,375	19,702,328	-	-	54,301,195
Services transferred over time	32,029,975	-	-	4,093,560	2,497,182	38,620,717
Total revenue from contracts with customers	35,750,467	30,878,375	19,702,328	4,093,560	2,497,182	92,921,912

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:	23,642,278	-	-	-	-	23,642,278
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

Notes to the financial statements (continued)

17 Revenue from contracts with customers continued

					2025 ZMW	2024 ZMW
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

17.1 Contract liabilities

Contract liabilities	5,724,168	6,382,222
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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	6,382,222	3,603,721
Performance obligations satisfied in previous years	(6,382,222)	(3,603,721)
	-	-

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	5,451,799	6,382,222
	5,451,799	6,382,222

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

Notes to the financial statements (continued)

	2025 ZMW	2024 ZMW
18. Other income		
(Loss)/gain on fair value of right of use-investment property (note 15.2)	(5,533,778)	2,254,000
Sundry income	1,715,648	876,076
Profit/(Loss) on disposal of PPE	5,713	(5,400)
	<u>(3,812,417)</u>	<u>3,124,676</u>
19. Finance income		
19. 1 Finance income		
Income from financial instruments measured at amortised cost:		
Interest on Bank deposits	427,515	773,487
Interest on staff loans and advances	117,336	117,336
	<u>544,850</u>	<u>890,823</u>
Income from financial instruments designated at FVOCI		
Dividends received from equity investments	272,369	163,762
	<u>817,219</u>	<u>1,054,586</u>
19. 2 finance cost		
Interest on lease liabilities (Note 15.3)	546,891	547,157
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	31,440,610	27,299,684
Amortisation of intangible assets	513,667	230,294
Depreciation of Property, plant and equipment	2,273,144	1,563,989
Depreciation of Right of Use Assets	717,455	882,969
Cost of inventories recognised as manuals expense	1,103,256	1,045,531
Finance cost	546,891	547,157
Exchange loss	(14,660)	360,654
Expected credit losses	10,664	36,455
Loss on disposal of property and equipment	(5,713)	5,400
Loss/(gain) on fair value of right of use-Investment property	5,533,778	(2,254,000)
Finance income	(544,850)	(890,823)
	<u>41,574,242</u>	<u>28,827,310</u>

Notes to the financial statements (continued)

	2025 ZMW	2024 ZMW
22. Operating expenses		
Seminars and workshops	19,499,181	17,715,375
Examination expenses	9,424,115	7,297,771
Advertising and publicity	3,350,504	3,509,793
AGM expenses	2,871,522	2,253,217
Motor vehicle expenses	1,993,952	2,198,506
Subscription	2,066,324	1,991,382
Travel – foreign	2,051,225	1,749,657
Staff welfare	1,996,607	1,666,855
Travel - local	1,111,441	1,557,391
Office expenses	1,741,238	1,446,353
Insurance	2,016,189	1,444,380
Printing and stationery	1,032,974	1,404,598
Professional fees	1,418,025	1,218,708
ICT expenses	1,444,139	1,172,934
Manuals	1,129,054	1,045,531
Travel - foreign - IFAC & CAW meetings	446,581	929,714
Bank charges	592,950	505,184
Council and committee expenses	680,304	500,672
Repairs and maintenance	628,280	404,770
Graduation expenses	575,117	391,054
External audit fee	469,464	387,987
Staff training and development	1,074,614	367,144
Exchange loss	(411,203)	360,654
Telephone	226,921	222,373
Electricity and water	203,844	207,931
Internal audit fee	-	197,316
Discount allowed	146,010	178,494
Security expenses	234,328	168,370
Publication costs of Accountant Magazine	109,350	155,149
Postage	91,725	125,389
Corporate social responsibility	89,480	110,092
Monitoring expenses	108,122	107,730
Inspection costs	41,770	87,614
Competence exams	132,400	80,160
Fraud loss Expenses	812,581	1,132,440
Rates and taxes	38,039	2,415
Inventory write down	12,159	-
	59,449,326	54,295,103

Notes to the financial statements (continued)

	2025 ZMW	2024 ZMW
23. Employee benefit expenses		
Salaries and wages	25,601,172	22,294,761
Social Security Contribution	844,084	683,130
Gratuity	4,987,354	4,321,793
	<u>31,440,610</u>	<u>27,299,684</u>

24. Fraud Loss

During the period under review, fraudulent transactions totalling ZMW 2,487,942 were identified in relation to the 2022 to 2025 period. The breakdown is set out below:

Year	ZMW
2022	140,677
2023	402,244
2024	1,132,440
2025	812,581
	<u>2,487,942</u>

As at the reporting date, recoveries amounting to K400,981 had been made. The loss relating to the current year has been recognised in the income statement, while the amounts relating to prior years had already been recognised as expenses in the respective years as duplicate costs.

The matter has progressed to the courts, and prosecution proceedings have commenced.

25. Related party transactions

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

Short term benefits	5,524,227	9,656,785
Post-employment benefits	1,019,509	2,414,196
	<u>6,543,736</u>	<u>12,070,981</u>
Loans to key management personnel	293,750	318,750
Council and committees expenses	1,126,885	500,672

Council and Committee members receive an honorarium of ZMW 1,200 (2024: ZMW 600) per sitting as part of cost recovery for the expenses they directly incur in discharging their duties for the Institute.

Notes to the financial statements (continued)

2025
ZMW

2024
ZMW

26. Financial instruments

Financial assets and financial liabilities

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

	Amortised cost ZMW	Fair value through OCI ZMW	2025 ZMW	Total ZMW
Cash and bank balances	6,740,652	-	-	6,740,652
Financial assets	1,212,103	-	-	1,212,103
Investment securities	1,848,630	-	-	1,848,630
Equity investments	-	10,670,249	10,670,249	10,670,249
	9,801,385	10,670,249	10,670,249	20,471,634
Financial liabilities				
Lease liabilities	3,386,026	-	-	3,386,026
Accounts payable	10,122,043	-	-	10,122,043
	13,508,069	-	-	13,508,069

Categories of financial instruments

	Amortised cost ZMW	Fair value through OCI ZMW	2024 ZMW	Total ZMW
Cash and bank balances	3,504,285	-	-	3,504,285
Financial assets	1,628,557	-	-	1,628,557
Investment securities	4,956,308	-	-	4,956,308
Equity investments	-	6,867,009	6,867,009	6,867,009
	10,089,150	6,867,009	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

27. Risk Management

27. 1 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:

	2025	2024
Investment securities	1,848,630	4,956,308
Staff loans and advances	1,212,103	1,628,557
Cash and cash equivalent	6,740,652	3,504,285

Notes to the financial statements (continued)

27 Risk Management (continued)

2025
ZMW

2024
ZMW

27.2 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.

Financial year 2025

	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	3,386,026	-	810,510	1,198,525	704,538	672,403
Accounts payable	10,122,043	-	10,122,043	-	-	-
	13,508,069	-	10,932,603	1,198,525	704,538	672,403

Financial year 2024

	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

27.3 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 12 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
2025		
Total foreign exposure in USD	105,017	125,454
Change in USD	+0.2	+0.2
Effect on profit	21,003	(25,091)
Effect on equity	21,003	(25,091)
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)

The Institute's operations are subject to the risk of interest rate fluctuations to the extent that bearing that interest earning

Notes to the financial statements (continued)

27 Risk Management (continued)

	2025	2024
	ZMW	ZMW

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.

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

	2025	2024
1USD to ZMW	22.38	28.25
1GBP to ZMW	30.17	35.49

27. 4 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 2025 would have been unaffected as the equity investments are classified at fair value through OCI; and
- (ii) Other comprehensive income for the year ended 31 December 2025 would decrease by ZMW 3, 803, 240 (2024: ZMW 1,370,978) 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.

27. 5 Fair value measurement hierarchy for assets as at 31 December 2025:

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.

	Level 1	Level 2	Level 3	Total
	ZMW	ZMW	ZMW	ZMW
31 December 2025				
Equity investment	10,670,249	-	-	10,670,249
Right of use-Investment property	-	-	25,289,000	25,289,000
	10,670,249		25,289,000	35,959,249
31 December 2024				
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

For the properties categorised in level 3 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.

Notes to the financial statements (continued)

27 Risk Management (continued)

2025
ZMW

2024
ZMW

27. 6 Set out below is a comparison, by class, of the carrying amounts and fair values of the Institute financial instruments.

31 December	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	ZMW	ZMW	ZMW	ZMW
Equity investments	10,670,249	10,670,249	6,867,009	6,867,009
Financial assets at amortised cost	1,212,103	1,212,103	1,628,557	1,628,557
Other receivables	1,164,431	1,164,431	1,839,947	1,839,947
Investments and securities	1,848,630	1,848,630	4,956,308	4,956,308
Cash and cash equivalents	6,740,652	6,740,652	3,504,285	3,504,285
Total	21,636,065	21,636,065	18,796,106	18,796,106

28. Capital commitments

There were no capital commitments as at 31 December 2025 (2024: Nil).

29. Contingent liabilities

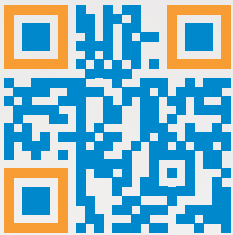
There were no contingent liabilities as at 31 December 2025 (2024: Nil).

30. 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.

31. Comparative figures

Where necessary comparatives for 2025 have been reclassified to have meaningful comparison with the current year.



Zambia Institute of Chartered Accountants.

2374/a Thabo Mbeki Road
P.O Box 32005, Lusaka-Zambia
Tel: 0211 374551-59
Email: membership@zica.co.zm
Website: www.zica.co.zm

2nd Floor, Mukuba Pension House,
Room 333, President Avenue,
Kitwe, Zambia
Email: kitwe@zica.co.zm

Contact Centre: Dial 1982 on Mtn, Airtel and Zamtel

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