

ANNUAL REPORT 2023



**THE ENGINEERING
INSTITUTION OF
ZAMBIA**



Engineering Institution of Zambia



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Overview of the Institution



The Engineering Institution of Zambia (EIZ) is a body corporate established by the Engineering Institution of Zambia Act No. 17 of 2010 as a statutory professional regulatory body mandated to promote and regulate the practice of engineering and allied disciplines in Zambia through registration of engineering professionals, firms and units.

The Institution was founded in 1955, and has since then undergone a number of legislative changes through the 1972, 1992 and 2010 Acts of parliament respectively. Currently, the Institution has seventy thousand (70,000) individual members and five thousand (5,000) registered Engineering Organisations and Units.

Functions

The specific functions of the EIZ as provided for in Part II Section 4 of the Engineering Institution of Zambia Act No. 17 of 2010 include:

- (a) to register engineering professionals, engineering organisations and engineering units and to regulate their professional conduct;
- (b) to register students of engineering;
- © to develop, promote, maintain and improve appropriate standards of qualification in the engineering profession;
- (d) to develop, promote and enforce internationally comparable engineering practice standards in Zambia;
- (e) to investigate allegations of professional misconduct and impose such sanctions as may be necessary;
- (f) to advise the Government on matters relating to the engineering profession;
- (g) to promote the general advancement of science, engineering, technological and allied disciplines for the improvement of the quality of life;
- (h) to maintain and improve the standards of conduct and learning of science, engineering and allied professions in Zambia;
- (l) to facilitate the acquisition of knowledge by engineering professionals through the establishment of technical libraries, and the provision of monetary grants, books, apparatus and any other facilities necessary to achieve this end;
- (j) to hold meetings of the Institution for the reading and discussion of papers for professional interest, to make awards to authors of papers of special merit and to arrange for other activities of interest or benefit to engineering professionals.

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VISION, MISSION, VALUES

VISION

To be a world-class professional institution that promotes best engineering practice and technological innovations.

MISSION STATEMENT

To promote and regulate professional development, training, licensed practice and ethical conduct of engineering and applied sciences for the benefit of members and society.

CORE VALUES

- TRANSPARENCY:** We shall work with unity of purpose irrespective of our different roles in achieving our institutional objectives.
- INTEGRITY:** We shall institute internal consistency of actions, methods, measures and we shall observe zero tolerance against corruption. We shall live by our promise.
- EXCELLENCE:** We shall provide quality services to our members.
- TEAM WORK:** We shall work with unity of purpose with other likeminded Organisations, irrespective of our different mandates Roles, in archiving our objectives.
- ACCOUNTABILITY:** We shall foster a profession climate in which engineering professionals are respected for their exemplary ethical behaviour.
- INNOVATION:** We shall create an environment that fosters and nurtures creativity and innovation. We shall pursue new ideas, methods and ways of doing things.



Eng. Abel Ngandu
President

President's Report

1. Introduction

This report gives a highlight of activities of the Engineering Institution of Zambia in 2023 emanating from its primary role of regulating and promoting the practice of engineering in Zambia as mandated by EIZ Act No. 17 of 2010.

Looking back in the past 12 months, it has been an exceptionally busy year. We have had to deal with a rapid succession of important events and situations, many of which are still unfolding. Indeed, it has been the most eventful period throughout, at times challenging but on the whole, a most rewarding experience.

Our members, council, organs and secretariat have proven once again that no matter what obstacles we may face, we will continue finding ways to explore, discover, develop, create, innovate, and drive positive change for the institution and the society in which we live. The resilience and dedication has been incredible.

A special thanks to all of you who have participated and engaged with our institution, and to our sponsors and other cooperating partners who have not relented but continued believing in our vision, we are truly grateful.

I am thrilled with the work that we have been able to accomplish this past year. Indeed, EIZ had a transformative and landmark 2023 in many respects.

2. Commissioning of the Engineering House in Lusaka

One of our major achievements in the past year was commissioning the state-of-the-art head office, the Engineering House. As membership continued to grow exponentially, it became imperative to improve the quality-of-service delivery by providing an environment that not only strengthened the connection to our members but also allowed our institution to live the brand.

3. Commissioning of the Northern Region Office building

Similarly, we embarked on the construction of the Northern Region office in 2022. After the old structure was demolished. And under a record of 7 months, the office was constructed and commissioned. What makes it more of an achievement is that it was constructed by our own members; Engineers, Technologists, Technicians, Craftspersons and our students.

4. Launch of the Strategic Plan

We launched our Strategic Plan which we have aligned with the 8th National Development Plan to support government's goals in infrastructure development and economic transformation. The document sets an ambition for the future of the institution and illustrates the goals and principles that guides EIZ from 2023 through to 2026. The new strategic plan focuses on refining key internal and governance processes for an improved membership.

President's Report



L-R. Eng. Ng'andu, Eng. Nzovu, Lusaka Mayor Ms. Chilando Chitangala and Eng. Mwafuilwa during the commissioning of the engineering house.



EIZ President Eng. Abel Ng'andu (m) unveiling the plaque during the official opening of the Northern Region office building. On his left is Infrastructure Minister Hon. Eng. Charles Milupi and (r) is EIZ Registrar/CEO Eng. David Kamungu

President's Report



L - R. Eng. Ngandu with Minister of Green Economy and Environment and Lusaka Mayor Ms. Chilando Chitangala after launching the strategic plan

5. Financials

During the period under review, the income received increased from ZMW 70.76 million in 2022 to ZMW 77.91 million in 2023 representing an increase of 10.1%. The Council ensured financial prudence during the period under review. The details will be provided in the finance report.

6. EGM on amendment of the 2021 EIZ Constitution

The EIZ Constitution was revised and ratified at the Extra-ordinary General meeting which was held on 29th July 2023. Notably so, am excited that one of the things that was ratified was canvassing for elections and the fact that members seeking to be Presidents and Vice presidents will be subjected to a debate prior to voting. This is in an effort to ensure that members know the trajectory their candidates would take and to encourage issue-based discussion. The new Constitution also paved way for early voting.

President's Report

7. Membership Comparative Growth by Category

In the year 2023, the Institution registered a total of **6,092** new members broken down as follows:

Engineers	1,671
Technologists	696
Technicians	362
Craftsperson's	1236
Students	1606

8. Compliance and Enforcement

The Institution saw a 72% increase in the registration of engineering organizations and engineering units and 78% on membership.

The Institution has further scheduled a solid plan to visit engineering projects under the Constituency Development Fund (CDF), to ensure all those carrying out the works are compliant.

9. Exhibitions

I am proud to mention that EIZ scooped a trophy as Best Exhibitor in the Educational Institutional Category at the Zambia Agricultural and Commercial Show, held from 2nd to 7th August 2023 under the theme ***Inclusive Economic Transformation***.

The Institution further scooped third place in the Best Regulatory Institution Exhibit category during the 2023 Copperbelt Agricultural, Mining, Industrial, Networking and Enterprise (CAMINEX), held from 30th May to 1st June 2023, in Kitwe, under the theme, ***Copperbelt: re-ignite, rebuild, renew***.

10. MOUs with strategic partners

I am delighted to further mention that EIZ signed a Memorandum of Understanding with the Ministry of Local Government and Housing to decentralise registration services to district level, so that local contractors can easily have access, and thus increase participation in the procurement process of the Constituency Development Fund (CDF) projects.

Furthermore, the Institution signed a Memorandum of Understanding with Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) to enhance quality in engineering skills development and training that will meet the needs of the industry.

President's Report



EIZ members of staff collect trophy.

11. Benevolent Fund

We granted a total of K89,000 benevolence to three members of the institution as one of its membership benefits. The Institution through the Benevolent Fund Committee awarded K35,000 to Eng. Gen. William Shonga, K40,000 to Tec. Gideon Ilunga, and K14,000 to Cra. Sarah Nakanyika respectively.

12. Women in Energy Conference

The Engineering Institution of Zambia (EIZ) in collaboration with the Ministry of Energy, Zambia Gender Energy Network (ZGEN) and USAID Business Enabling Project held the very first-ever Women in Energy Conference on 7th December 2023 at the Radisson Blu Hotel in Lusaka. The conference was held under the theme "Igniting Women's Business Potential in the Energy Sector: POWERher."

President's Report

13. Membership to the International Engineering Alliance

The pursuit to the International Engineering Alliance has continued and we have reached an advanced stage under the mentorship of Engineering Council of South Africa (ECSA). We hope we can have the Washington Accord achieved first in the next few years, followed by the Sydney and Dublin Accord respectively. The environment talks scanning report revealed a number of solution-based changes that ought to be made. The Copperbelt University and University of Zambia have been engaged. We wish to thank government through the Ministry of Education and Higher Education Authority (HEA) for opening their doors. Zambia is set to provisionally apply for membership in 2025.

14. Charge-Out Rates

I am happy to report that the Charge-out rates Regulatory Impact Assessment (RIA) was concluded on the 19th of November 2023 for receipt of submissions and the report was compiled and submitted to Business Regulatory Review Agency (BRRA). The report has since been approved and we now await our Honourable Minister to sign the Statutory Instrument.

15. Advice to government

The Institution received eight requests from parliament and appeared to make submissions before various parliamentary committees. Some of the submissions made in the period under review include submissions on the 2024 Budget, reduction of road accidents, ramifications of illegal immigrants, implementation of CDF, comment on the PPP Bill 2023, road freight transport and public procurement bill 2023.

The Institution took interest in the Chingola mine accident that sadly claimed a number of lives. Engagements with relevant government authorities such as Disaster Management and Mitigation Unit (DMMU) were held. EIZ continues to advocate for safe mining practices in Zambia.

16. Engagements with local professional bodies

Council and Board held meetings with the Zambia Institute of Human Resources (ZHRIM) with the aim of collaboration. A proposed MoU was discussed to ensure that HR practitioners only admitted registered and paid-up members of EIZ. Furthermore, the two institutions agreed to embark on joint inspections to strengthen compliance.

EIZ further joined other professional bodies in becoming signatories to the Chartered Institute of Arbitrators (CI Arb) Zambia at a meeting held on 10th March 2023 at LAZ House.

The EIZ also participated in the Africa FIDIC conference that was held in June 2023 under the auspice of the Association of Consulting Engineers of Zambia.

President's Report

17. Promoting young engineering professionals

One of the functions of EIZ is to promote the general advancement of Science, Engineering and Technology for the improvement of quality of life. EIZ sponsored the 2023 National Jets Fair at provincial, regional and national levels. The Institution is in the process of establishing the Young Engineering Professionals section.

The Institution has also continued to promote STEM amongst young girls through career talks conducted by the EIZ in 24 branches. This is meant to encourage the girl child to take up STEM subjects and have more joining the engineering profession.

18. World Engineering Day

The institution commemorated the World Engineering Day which falls on 4th March of every year. The day was launched on ZNBC TV by the Minister of Infrastructure, Housing and Urban Development, Hon. Eng. Charles Milupi, MP. EIZ celebrated the World Engineering Day through various platforms such as Webinars, Career talks, Lectures and Technical tours.

19. Africa Engineering Week

Furthermore, the institution commemorated the Africa Engineering Week from 25th to 28th September, 2023 under the theme, ***Celebrating and Growing Engineering Excellence in the African Region***. EIZ joined the rest of Africa at the exhibition conference held in Johannesburg, South Africa. Locally several activities were held focusing on member enrichment.

20. International Women in Engineering Day

Our Women in engineering through the Zambia Women in Engineering Section celebrated the international women in engineering day by holding an exhibition which was officiated by the Gender Permanent Secretary Ms. Mainga Kabika. The Permanent Secretary challenged the women to encourage other females to take up engineering roles and make a difference in the country. The event was held at the Engineering House on 23rd June 2023. I am also elated to inform you that EIZ supported 10 Zambia Women in Engineering (ZWES) members in attending the Tanzania Women in engineering conference.

21. Scholarships

The Institution has continued to sponsor the ten students who were awarded scholarships in 2021 and has advertised for four (4) new applicants. The institution is currently supporting six (6) students at University of Zambia, Copperbelt University, Mulungushi University and Northern Technical College respectively.

Furthermore, the Institution witnessed the graduation of one of the scholarship beneficiaries.

Mr. Steven Mweene, graduated on 15th September, 2023 in Biomedical Engineering from Evelyne

Hone College.

Mr. Mweene thanked EIZ for being an enabler for the EIZ Scholarship.

22. Public Relations and Communications

In its quest to continue informing the public on the role EIZ plays in National Development, the institution signed an MOU with the Zambia Daily Mail to publish a bi-monthly column dubbed *Engineering Matters*. This partnership has enhanced the institution's visibility as we have been able to reach our members and stakeholders at a wider coverage. The institution has been more present in the media, responding to queries, selling the mandate, giving technical guidance and encouraging compliance of engineering professionals.

23. Creation of the Engineer Generals' Office

As we forge ahead in the new year, we are focused on increasing our relevance to the stakeholders and seeking more involvement in engineering decisions. We started lobbying for the creation of the Engineer Generals' office and we have continued to push this agenda. Several meetings between EIZ and the Ministry of Infrastructure have been held. We remain confident that government will consider this crucial office.

24. Infrastructure report card 2

EIZ has continued with the process of producing the second infrastructure report card (IRC2) following the emerging of new infrastructure in the country, and assessing the obsolete ones. During the period under review, EIZ had commenced the procurement process of updating the current baseline report IRC 1 which was produced in 2015. Subsequently this will culminate into the production of the IRC 2 report.

25. International relations

At the Invitation of the World Federation of Engineering Organisations (WFEO), the Institution participated in the World Engineering Convention WEC 2023. This was held in Czeck Republic, Prague on 12th October 2023. The Institution took part and was signatory to the resolutions made.

26. Regional

The EIZ attended the Federation of Africa Engineering Organisations (FAEO) meetings held on 22nd January in Kigali, Rwanda. The meetings saw the inauguration of the current FAEO President Eng. Papias Kazawadi. The meeting made key resolutions on the preparedness of Zambia and Africa at large in the proposed Africa Free Trade Area (AFTA). The meeting noted the need for all Africa countries to ensure relevant systems were in place.

President's Report

27. Data Management Information System (DMIS).

We have continued to find new ways to improve our service delivery and ease the registration process. We are entering the second phase of the Data Management system to make it more efficient. The Institution has commenced development of the EIZ App, CPD tracking mechanism, job portal and the EIZ Store module. These enhancements are aimed at enhancing the DMIS. The EIZ app will enable our members have hands on access to our services at all times.

28. Quality Management Systems (QMS)

The Engineering Council has developed quality Management System (QMS) and I am proud to report that the Management Review was successfully conducted last year and the Institution will now be applying for ISO certification mid this year. QMS will improve internal process and efficiency.

To improve efficiency, we have also reduced approval time for new practitioners' registration from thirty days to fourteen days and split the technical committees to north and south thereby improving efficiency.

I am delighted that EIZ was honoured to have the Vice President of the Republic of Zambia, Mrs. W. K. Mutale Nalumango, grace last year's Annual General Meeting which saw the participation of over 800 local and international delegates, including several exhibiting companies. During this period, a new Engineering Registration Board was elected.

While I am proud of how far we've come in meeting our ambitious targets, there's still more work to do for us to achieve our goals. By continuing to work together and prioritising sustainability, we will do our part to ensure the growth of the Institution and increased contribution to the engineering industry.

To make our institution great in 2024, we will need the ongoing strength and fortitude from all of us and it is important that we rebuild the energy together to be able to do so.

And as my term comes to an end, I would like to thank everyone for believing in me. It has been a great honour to be entrusted with such an undertaking; taking the lead of such eminent experts in the engineering industry, coming from various parts of the country. Thank you for the support rendered to me during my tenure. I wish the incoming President and all other leaders the best and assure them of my unreserved support in our journey to be world class.

ENG. ABEL NG'ANDU, FEIZ
PRESIDENT- ENGINEERING INSTITUTION OF ZAMBIA



Eng. David Kamungu
Registrar & CEO

Registrar's Report

1. Introduction

The secretariat has continued making progress in making a future-fit institution through the expansion of the core business and introduction of innovative solutions that address the evolving needs of members and stakeholders.

In the year 2023, EIZ witnessed growth in membership, compliance and enhancement of internal operational systems.

Secretariat led by the Registrar worked on evaluating the performance of the 2018-2023 strategic plan and worked towards establishing the 2023-2026 strategic plan which was officially launched mid-year.

Management remains indebted to the support it has received from the membership, Council and stakeholders.

As great as last year was for our Institution, in many ways 2024 is shaping up to be even better. Significant strides have been scored through the signing of various Memoranda of Understanding (MoUs) and the development of the EIZ Application. The creation of the EIZ App, CPD tracking portal and job portal on our Data Management Information System (DMIS) will create substantial long-term value for our members.

During the period under review, the Institution drew its mandate from the strategic plan whose objectives are highlighted below.

OBJECTIVE	DESCRIPTION OF THE OBJECTIVE
Objective 1	To grow non -traditional revenue sources to 10% of annual revenue
Objective 2	To develop and implement a mentorship and skills development program for all membership categories of the Institution starting in 2019.
Objective 3	To rebrand EIZ as a world -class professional body by 2023.
Objective 4	To enhance operational systems to world -class standards by 2020 through the procurement and implementation of member information systems, Enterprise Resource Planning System (ERP) and Quality Management System (QMS).
Objective 5	To attain a professional membership growth of 25,000 and achieve 100% registration of engineering students by 2023.
Objective 6	To attain a 90% compliance rate on engineering practice annually by 2023
Objective 7	To effectively manage financial, human resource and logistics in order to improve the organizational performance.
Objective 8	To promote the general Advancement of Science, engineering, technology and allied disciplines
Objective 9	To provide professional advice to government and other stakeholders on engineering matters through research and development

Registrar's Report

The detailed progress on each of the Strategic objectives will be discussed below:

1. To grow non-traditional revenue sources to 10% of annual Revenue

Under this objective, the Institution aims to grow non-traditional revenue sources to 10% of the Institution's total revenue from subscriptions. In order to achieve this, the Institution attained a number of key milestones as outlined below.

- 1.1 The Institution completed the construction of the Engineering House, off Kelvin Siwale Road and has since opened for Business. The event was officially graced by Eng. Collins Nzovu MP. The building is currently fully subscribed and EIZ Properties collected a total of K3.3m in rentals.
- 1.2 As means of raising income from non-traditional sources, the Institution invested in the money market. The Institution raised K5m from the short-term money deposits made to various banks as interest. The Institution went further into the sale of various EIZ merchandise contributing to the non-traditional income basket. A total of K1.5m was raised. Merchandise included bags, shirts, t-shirts, lapel pins, scarves and Fellows' jackets.
- 1.3 During the period under review, the Institution conducted an EXPO where K275,000 was raised.
- 1.4 Further, the Institution has started offering paid-for Continuous Professional Development workshops that have contributed not only to members professional growth but also to the raising of non-traditional sources. These include the following:
 - 1.4.1 Preparation of standard BOQs and measurements of works for engineering organisations and units.
 - 1.4.2 Industrial Energy Efficiency
 - 1.4.3 Finance Training for non-finance
 - 1.4.4 Project Management for Non-Executives
 - 1.4.5 Women Leadership Conference



Engineering House

Registrar's Report

2. To develop and implement a mentorship and skills development programme for all membership categories of the Institution starting in 2019.

In 2023, the Institution continued to grow its mentorship, skills and internship portfolios.

- 2.1 The EIZ Mentorship flagship program saw a total of 201 mentees graduate from the second cohort. The program has enhanced membership experience in the quest to bridge the gap between industry and academia.
- 2.2 During the 2023 Annual Symposium and AGM, the Institution conducted a skills exhibition that saw 11 participants drawn from various institutions. The participants demonstrated skills critical to the practice of engineering.
- 2.3 The Institution continued to support JETs at district, regional and National events in 2023. EIZ facilitated for JETs in 2023 at an event held at the National
- 2.4 In the year 2023, the Engineering Institution of Zambia facilitated for 75 internships/University attachments. This represents a 5% growth from the record of 2022. EIZ continued to partner with various firms including
 - Kalumbila Mines (FQM)
 - Barrick Lumwana Mines
 - Kansanshi Copper Mines (FQM)
 - Mulonga Water
 - Nkana Water
 - Allione Consulting
 - Zulu Burrow

In 2024, the Institution is going to develop a CPD and mentorship tracking mechanism to be embedded in the DMIS system.

3. To rebrand EIZ as a world class professional body by 2023

The Institution concluded the year with the development of the rebranding strategy aimed at defining the roadmap for the Institution. This marked a remarkable milestone in the Institution's quest to become a world class professional body.

- 3.1 Development of a rebranding strategy - This strategy will guide the Institution into the necessary steps aimed at enhancing its image.
- 3.2 The institution has successfully implemented a Customer Service Charter that is being used to improve service delivery to world class standards. In an attempt to improve on the service delivery to our members.
- 3.3 The Institution has made significant progress towards the attainment of part signatory to the Washington accord. In its report to the International Engineering Alliance in 2023, the Institution indicated progress through its environmental scanning report.
- 3.4 In order to align with World Class standards, the Institution completed the construction of the EIZ Kitwe office and launched it on 14th December. The new office building will greatly improve the image of the Institution.
- 3.5 The Institution has further commenced the development of the EIZ marketing strategy aimed at improving membership service delivery.

Registrar's Report



EIZ Northern Region Office

4.

To enhance operational systems to world class standards by 2020 through the procurement and implementation of member information systems, Enterprise Resource Planning System (ERP) and Quality Management System (QMS)

In an attempt to enhance the internal operational systems, the institution made strides towards in the following systems:

- 4.1 The Institution went live on our Data Management Information System (DMIS) and the application process became completely paperless. The Institution automated processes of registration, renewals and upgrades through the DMIS system. The system is functional and is continuously being updated to make it more efficient.
- 4.2 In 2024 the EIZ will commence phase II of the DMIS development that will incorporate an EIZ App. The app is aimed at providing hands on access to membership services. The system will further incorporate an in-system generation of membership certificates thereby reducing the need for physical deliveries.
- 4.3 In the year 2023, Secretariat completed the implementation and compliance to all the procedures and an internal audit to check the current compliance levels to the management system. in the 1st phase. The management review meeting revealed progress on the QMS journey. Application for the ISO9001 certification will be completed in 2024.
- 4.4 The Institution has continued implementing the Information Education Communication Strategy. The Institution in 2023 launched a call centre 3333 aimed at improving contact between members and Secretariat.
- 4.5 EIZ is hoping to migrate all members to the DMIS at the end of 2024.

Registrar's Report

the Engineering Institution
of Zambia

Exciting News!!
The EIZ call Centre is now operational

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www.eiz.org.zm eiz@eiz.org.zm

5. To attain a professional membership growth of 25,000 and achieve 100% registration of engineering students by 2023.

The institution has performed exceptionally well in 2023 in terms of membership growth. The following are the membership statistics:

- 5.1 Registered 6,092 new members on the database representing a performance of 122% achieved against the strategic target of 5,000.
- 5.2 Renewed a total number of 22,344 which members in the year 2023. This represents a compliance of 78% on membership.
- 5.3 A total of 1606 new students were registered on the database in 2023. The Institution has continued to engage tertiary Institutions to encourage compliance.

6. To attain 90% compliance rate on engineering practice annually by 2023.

During the period under review the Institution conducted a total of 4,631 inspections Nationwide, 1,548 in the Southern region and 3,083 in the Northern region in order to improve compliance to the EIZ Act No 17 of 2010.

- 6.1 This increase in compliance inspections resulted in the following results:
 - 6.1.1 Registration of a total of 2,400 individual applicants and 8,939 units and organisations applicants in 2023.

Registrar's Report

- 6.1.2 This represents a 10% and an 77% increase for registered professionals and registered organisations and units respectively.
- 6.1.3 Achieved a compliance rate of 78% for Individual Engineering Professionals and 76.5% for Engineering Organisations and Units compared to 76% and 86% in 2022 respectively.
- 6.2 Further. Secretariat has taken the following steps:
 - 6.2.1 Successfully concluded MoUs with Zambia Police and the Immigration Department in order to enhance compliance to the Act.
 - 6.2.2 The institution has engaged various other institutions (Zambia Police, Zambia Institute of Human Resources) to conduct joint inspections in order to conclude 2023 inspections.
 - 6.2.3 Successfully printed the 2023 Gazette of all registered professionals.
 - 6.2.4 Successfully printed and published a list of non-compliant organisations and units that improved compliance to the EIZ Act of 2010.
 - 6.2.5 Successfully formed a fraud task force committee with the Zambia Police department of Fraud and Financial crimes. Several cases.
 - 6.2.6 Successfully initiated the process of implementing compulsory competency exams for practice



MOU with Immigration

Registrar's Report

7. To effectively manage financial, human resource and logistics in order to improve the organisational performance.

In order to effectively manage the financial, human resource and logistics, the institution was able to achieve the following in the year 2023:

- 7.1 As guided by the EIZ conditions of Service, Staff conducted Team Building sessions in the first quarter of 2023 and town hall meetings.
- 7.2 During the period under review, a total of 29 members of Staff underwent various CPD training aimed at enhancing their skills and knowledge.
- 7.3 The staff headcount at the Secretariat stood at 42 as at 31st December, 2023.
- 7.4 The Institution continued to conduct half and yearly Performance Assessment to ensure that Institutional Objectives were met.
- 7.5 The Institution strengthened the Internal Audit Department through the development of various control policies and procedures. Internal Audit charter and internal Audit Polices have since been implemented in line with the Strategic Plan.
- 7.6 At the fall of 2023, Eng. Ian Chomba was appointed as Regional Manager in the Northern Region. He previously served as Compliance Inspector.
- 7.7 Performance appraisals for all staff were conducted in compliance with the Performance Policy. Performance enhancement programs have also been put in place to ensure KPIs are met.
- 7.8 The Institution also continued to monitor its compliance to internal processes. Internal audits for all the quarters in 2023 were conducted accordingly.



Team Building workshop

Registrar's Report

8. To promote the general advancement of science, engineering, technology and allied disciplines.

During the period under review, the Institution made strides in the advancement of Science, Engineering, Technology and allied disciplines in the following ways:

- 8.1 One Scholarship beneficiary, Mr. Steven Mweene graduated with a Diploma in Biomedical Engineering from Evelyn Hone.
- 8.2 In the year 2023, the Institution continued to honour the 10 (ten) scholarships which were awarded to deserving student members of EIZ.
- 8.3 EIZ sponsored the 2023 National Jets Fair from the 7th to 11th of August 2023 and further attended the Coding Workshop held On 21st July 2023 at the National Science Centre in Kabulonga.
- 8.4 In 2023 The Engineering Institution of Zambia sponsored awards for top performing graduating students from universities and tertiary institutions Nationwide.
- 8.5 Zambia was recently awarded the right to host World Skills Africa 2025. In view of this award the Institution was appointed to sit on the Technical Committee to prepare for hosting this Conference and Competitions.



Steve Mweene, one of the scholarship recipient

Registrar's Report

9. To provide professional advice to government and other stakeholders on engineering matters through research and development

- 9.1 During the period under review, the institution launched the 2023-2026 Strategic plan on 29th June 2023. The Strategic Plan has been developed in line with the 8th National Development Plan (8NDP). EIZ has developed this Plan in tandem with government's goals as it accelerates its ascent to a much higher level of achievement, inclusion, service, and impactful results.
- 9.2 The Charge-out rates impact assessment was concluded on the 19th of November 2023 for receipt of submissions and the report was compiled and submitted to the Business Regulatory Review Agency (BRRA) on 19th December 2023 awaiting further guidance. The document is currently sitting with the Ministry of Infrastructure for approval.

Furthermore, the government made several requests from the Institution, to make submissions on various topics before the parliamentary committees. The requests were made with regards to the following National issues:

- 6.2.1 Rural Electrification Bill 2023
- 6.2.2 Car Battery Manufacturing
- 6.2.3 Ramification of the Zambia Institute of Valuation Surveyors Bill NAB No. 9/2023
- 6.2.4 Comments on the 2024 budget
- 6.2.5 Comments on the PPP Bill 2023
- 6.2.6 Implementation of CDF



Appearance before parliament

Eng. David Kamungu, FEIZ.
Registrar/Chief Executive Officer

Statement on Corporate Governance

1. BRIEF

- 1.1 The Engineering Institution of Zambia is established by the EIZ Act. No. 17 of 2010. The EIZ Act and the 2023 EIZ Constitution provide governance guidelines to the Institution. It is with the forgoing that The Engineering Council recognizes the importance of observing high standards of Corporate Governance at all times. During the period under review, the 61st Engineering Council adhered to the provisions and ethics of good governance and strict adherence to the provisions of the Council Charter.
- 1.2 The Institution is thus committed to complying with legislation, regulations, international financial reporting standards (IFRSs), Codes of Good Governance and policies that ensure sound business practice.
- 1.3 The Institution elects its new Council every two years at its Annual General Meeting pursuant to the provisions of the EIZ Act No 17 of 2010. During the period under review, the 61st Council was elected on 23rd April, 2022 at which Eng. Abel Ngandu was re-elected as President and Chairperson of the Engineering Council.
- 1.4 Council and its sub-committees comprise Executive, Non-Executive and Independent Non-Executive members. Council meets on a regular basis to drive the Institutions' strategic agenda. Council has the responsibility for the overall management of the Institution and is primarily accountable to the members for the proper conduct of the business of the Institution.
- 1.5 The EIZ Council has in place main sub-committees namely the Policy, Public Relations and National Development Committee; Finance & Administration Committee; the Membership and Continuous Development Committee and the Nominations and Elections Committee. Council has also in place an independent Audit and Risk Committee responsible for External and Internal audit assurance and Risk Management.
- 1.6 The statutory organs of the Institution established by the EIZ Act No 17 of 2010 are;
 - 1.6.1 Engineering Registration Board
 - 1.6.2 Engineering Technical Committee
 - 1.6.3 Disciplinary Committee
 - 1.6.4 Secretariat
- 1.7 The Engineering Council has also established other subcommittees for the execution of specific assignments. These include;
 - 1.7.1 Technical Committee of the Engineering Registration Board
 - 1.7.2 Constitution Review Committee
 - 1.7.3 Editorial & Publications Committee
 - 1.7.4 Regional Executive Committees

Statement on Corporate Governance

2. Record of attendance of Council meetings held in 2023

2.1 Full Council Meetings of the 61st Engineering Council

S/N	Period	Q1	Q2	Q3	Q4	TOTAL
	Date of meeting	23.03.23	07.07.2023	16.09.2023	14.12.2023	
1.	Eng. Abel Ngandu	✓	✓	✓	✓	4/4
2.	Eng. Kennedy Musonda	✓	❖	✓	✓	3/4
3.	Eng. Dr. Diana Kangwa -	✓	✓	❖	✓	3/4
4.	Eng. Sharon Musonda	✓	✓	❖	✓	3/4
5.	Eng. Eugene Haazele	✓	✓	✓	✓	4/4
6.	Cra. Evans Chansa Kafusha	✓	✓	✓	✓	4/4
7.	Eng. Lusungu Nyirenda	✓	✓	✓	❖	3/4
8.	Eng. Dumisani Nkhata	✓	✓	✓	✓	4/4
9.	Teg. Mwango Samuel Kasonde	✓	✓	✓	✓	3/4
10.	Teg. Gideon Chilongu	✓	✓	✓	✓	3/4
11.	Tec. Jane Manase	✓	✓	✓	✓	4/4
12.	Eng. Musonda Chansa	✓	✓	✓	✓	3/4
13.	Eng. Chiza Leonard Nyirenda	✓	✓	✓	✓	4/4
14.	Eng. Kabaso Musebe	✓	✓	✓	✓	1/4
15.	Mr. Kelvin Kashulwe	✓	✓	✓	✓	1/4
16.	Ms. Bwitte Kasonde	✓	✓	✓	✓	1/4
17.	Eng. Dr. Michael K Nsefu	✓	✓	✓	✓	3/4

2.2 Engineering Registration Board

S/N	Period	Q1	Q2	Q3	Q4	Total
1.	Meeting Date	-----	19/06/23	25/08/23	14/12/23	4
2.	Eng. Dr. Michael K. Nsefu	❖	✓	✓	✓	3/4
3.	Eng. Stephen K Musebe	✓	❖	✓	✓	1/4
4.	Eng. Prof. John Siame	✓	✓	✓	✓	4/4
5.	Eng. Waddy Nkandu Sakeni	✓	✓	✓	✓	4/4
6.	Tec. Nkwimbi Namwila	✓	✓	✓	✓	4/4
7.	Eng. Yoram William Sinyangwe	✓	✓	AP	✓	4/4
8.	Cra. Pride Lombe	✓	✓	✓	✓	4/4
9.	Eng. Nshindano Peter	✓	✓	✓	✓	4/4
10.	Eng. Langamu Muselepete	✓	✓	✓	✓	3/4
11.	Eng. Oliver Makungu	✓	AP	✓	✓	3/4
12.	Eng. David Kamungu	✓	✓	✓	✓	4/4

2.3 Policy, Public Relations & National Development

S/N	Period	Q1	Q2	Q3	Q4	Total
1.	Date of Meeting	24/02/23	09/06/23	28/08/23	09/11/23	4
2.	Eng. Kennedy Musonda	✓	✓	✓	✓	4/4
3.	Eng. Fridah Like	✓	✓	✓	✓	4/4
4.	Eng. Elizabeth Phiri	✓	✓	✓	✓	4/4
5.	Eng. Elizabeth K Namakando	✓	✓	✓	✓	4/4
6.	Eng. Vernon Ngulube	✓	✓	✓	✓	3/4
7.	Teg. Mwango Samuel Kasonde	✓	✓	✓	✓	4/4
8.	Eng. Simutili Ronald Muchali	✓	✓	✓	✓	4/4
9.	Eng. Eugene Haazele	✓	✓	✓	✓	4/4
10.	Eng. Lusungu Nyirenda	✓	✓	✓	✓	4/4
11.	Eng. Prof. John Siame	✓	✓	✓	✓	4/4

Statement on Corporate Governance

2.4 Finance and Administration

S/N	Period	Q1	Q2	Q3	Q4	Total
1.	Date of Meeting	01/03/23	23/06/23	30/08/23	23/11/23	4
2.	Eng. Dr. Diana Kangwa	✓	✓	✓	✓	4/4
3.	Eng. Chiza Leonard Nyirenda	✓	✓	✓	✓	4/4
4.	Mr. Kalaluka Itwi	✓	✓	✓	✓	3/4
5.	Ms. Febby B. Mbulo	✓	✓	✓	✓	4/4
6.	Cra. Kafusha Evans Chansa	✓	✓	✓	✓	4/4
7.	Eng. Joseph Kabali	✓	❖	✓	✓	2/4
8.	Teg. Gideon Chilongu	✓	✓	✓	✓	4/4
9.	Mrs. Musonda Ulaya	✓	✓	✓	✓	3/4

2.5 Membership & Continuous Professional Development Committee

S/N	Period	Q1	Q2	Q3	Q4	Total
1.	Date of Meeting	24/02/23	08/06/23	28.09.23	06.12.23	4
2.	Eng. Sharon M Musonda	✓	✓	✓	✓	4/4
3.	Eng. Agness Mofya Mwansa	✓	✓	✓	✓	3/4
4.	Eng. Precious Mukuka	✓	✓	✓	✓	4/4
5.	Tec. Jane Manase	✓	✓	✓	✓	4/4
6.	Cra. Field Simwanda	✓	✓	✓	✓	3/4
7.	Eng. Patrick James Chintu	✓	✓	✓	✓	4/4
8.	Eng. Dumisani Nkhata	✓	✓	✓	✓	3/4
9.	Eng. Mufalo Nanyama	✓	✓	✓	✓	3/4
10.	Eng. Chansa Musonda	✓	✓	✓	✓	4/4
11.	Mr. Abel Fumpa	✓	✓	✓	✓	3/4
12.	Ms. Dorica Miti	✓	✓	✓	✓	3/4

2.6 Disciplinary Committee

S/N	Period	Q1	Q2	Q3	Q4	TOTAL
1.	Date of meeting	25/01/23	09/05/23	15/08/23	08/12/23	
2.	Mr. Musa Mwenya	✓	✓	❖	✓	3/4
3.	Mrs. Kasumpa Kabalata, SC	✓	❖	✓	✓	3/4
4.	Eng. Abel Ng'andu	✓	✓	❖	❖	2/4
5.	Eng. Elson Banda	✓	✓	✓	✓	4/4
6.	Eng. Musompa Masanza	✓	✓	✓	✓	4/4
7.	Eng. Happy Musumali	✓	✓	✓	✓	4/4
8.	Eng. Chabota Kaliba	❖	✓	✓	✓	3/4
9.	Eng. Wendy Nambule	❖	✓	✓	❖	2/4
10.	Eng. David Kamungu	✓	✓	✓	✓	4/4

Audit and Risk Committee

S/N	Names	Position	Date of Meeting					Total
			15.03.2023	22.06.2023	05.09.2023	19.10.23	28.11.2023	
1.	Eng. Dr. Yohane Tembo	Chairperson	✓	✓	✓	✓	AP	4/5
2.	Eng. Sydney Chande	Member	✓	✓	✓	AP	✓	4/5
3.	Dr Friday Nyambe	Member	✓	✓	✓	✓	✓	5/5
4.	Mr. Francis Ziba	Member	✓	✓	✓	✓	✓	5/5
5.	Eng. Abigail Malichi Musonda	Member	✓	✓	✓	✓	✓	5/5
6.	Eng. Chilala Bowa	Member	AB	AB	✓	AB	AB	1/5
7.	Ms. Susan Zimba	Member	❖	✓	✓	✓	✓	4/5
8.	Eng. David Kamungu	Secretary	✓	✓	AP	✓	✓	4/5
9.	Ms. Musumbulwe Mambwe	Secretary	✓	✓	✓	✓	✓	5/5

Statement on Corporate Governance

Key

- ✓ Present
- AP Apologies
- AB Absent
- ❖ Not yet a Committee Member
- Ceased to be member of Committee

Council Members



President
Eng. Abel Ng'andu



Vice President, Policy Public Relations & National Development
Eng. Kennedy Musonda



Vice President Finance & Administration
Eng. Dr. Diana Kangwa



Vice President Membership & CPD
Eng. Sharon Musonda



Imm. Past President
Eng. Eugene Haazele



EngRB Chairman
Eng. Dr. Michael Kalumbu Nsefu



Engineers Representative
Eng.



Technologist Representative
Teg. Mwangi Samuel Kasonde



Technician Representative
Tec. Jane Nambeye Manase



Craftpersons Representative
Cra. Evans Chanda Kafusha



Northern Region Chairman
Eng. Musonda Chansa



Southern Region Chairman
Eng. Dumisani Nkhata



Engineering Organisations Representative
Eng. Lusungu Nyirenda



Engineering Units Representative
Teg. Gideon Chilongu



Engineering Female Student's Representative
Ms. Dorica Miti



Engineering Male Student's Representative
Mr. Abel Fumpa



Registrar & CEO
Eng. David Kamungu

Management Team



Eng. David Kamungu
BEng, MSc, PEIZ, REng
Registrar



Eng. Kabwe J. Musonda
BEng, MSc, PEIZ, REng
Deputy Registrar / Director
Operations



Mr. Eunie Ng'andu
Director Finance and
Administration



Eng. Ian Chomba
Regional Manager - North



Mrs. Ntalasha Mutale
Manager - Public Relations
and Marketing



Mr. Rex Harold Kalangu
Technical and Quality
Manager



Ms. Nanzele Hambulo
Human Resource and
Administration Manager



Eng. Chimfwembe Mutale
Regional Manager -South



Mr. Clowder Samahongo
IT Manager



Mr. Evans Lumamba
Procurement Specialist



Mr. Benstein Chanda
Accountant



Ms. Musumbulwe Mambwe
Internal Auditor



Mr. Samsom Kapufi
Finance and Admin Head

Financial Statement

The Engineering Institution of Zambia

Consolidated Financial Statements for the year ended
31 December 2023

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)

Consolidated Financial Statements for the year ended 31 December 2023

Index

The reports and statements set out below comprise the financial statements of the Engineering Institution of Zambia (EIZ) and its subsidiary EIZ Properties Plc presented to the Members:

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General Information

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)

Consolidated Financial Statements for the year ended 31 December 2023

General information

Country of registration and domicile:	Zambia
Nature of business and principal activities:	The principal activities of the Institution include; the regulation and promotion of the engineering profession in Zambia through registration of engineering professionals and firms; and to contribute to the material development of society by improving the level of engineering education, training and practice in the country.
Council members: The Council members who held office during the year were:	
Eng. Abel Ng'andu Eng. Kennedy Musonda Eng. Dr. Diana Kangwa Eng. Sharon M. Musonda Eng. Eugene Haazele Eng. Dr. Michael Nsefu Eng. Dumisani Nkhata Eng. Chansa Musonda Eng. Chiza Nyirenda Eng. Lusungu Nyirenda Teg. Gideon Chilongu Teg. Kasonde Mwango Tec. Jane Manase Cra. Chansa Evans Kafusha Miss. Bwite Kasonde Mr. Kelvin Kashulwe	President Vice President-Policy, Public Relations and National Development Vice President-Finance and Administration Vice President-Membership and CPD Immediate Past President Engineering Registration Board Chairman Southern Region Chairman Northern Region Chairman Representative-Engineers Representative-Engineering Organisation Representative-Engineering units Technologists' Representative Technicians' Representative Craftpersons' Representative Female Engineering Students' Representative Male Engineering Students' Representative
Management: Eng. David Kamungu Eng. Kabwe Musonda Mr. Eunie Ng'andu Eng. Mutale Chimfwembe Eng. Maiwaseh Zulu Mr. Rex Harold Kalangu Ms. Nanzele Hambulo Mr. Benstein Chanda Mr. Samson Kapufi Mr. Evans Lumamba Mr. Clowder Samahongo Mrs. Ntalasha M. Yulu	Registrar/CEO Deputy Registrar/Director Operations Director Finance & Administration Regional Manager - South Regional Manager - North Technical & Quality Manager Human Resource & Administration Manager Accountant Finance & Administrations Head Procurement Specialist IT Manager Public Relations & Marketing Manager
Registered address:	Engineering Institution of Zambia Stand No. 2374 Danny Pule Road Show Grounds P.O. Box 51084 Lusaka
Solicitors:	Wilson and Cornhill 5 th Floor Premium House P.O. Box 38906 Lusaka
Bankers:	<ul style="list-style-type: none"> Standard Chartered Bank Zambia Plc Stanbic Bank Zambia Limited Zambia National Commercial Bank Plc United Bank for Africa First National Bank Indo-Zambia Bank
Auditors:	MPH Chartered Accountants Plot 4434A Kumoyo Road Longacres P.O. Box 31014 Lusaka

Statement of Responsibilities for Financial Statement

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)
Consolidated Financial Statements for the year ended 31 December 2023

Statement of Responsibilities in respect of the Preparation of the Financial Statements

First schedule, PART II (10) of the Engineering Institution of Zambia Act No. 17 of 2010 requires Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Institution and of the surplus or deficit for that period.

The Councillors are responsible for the preparation and fair presentation of the consolidated financial statements of the Engineering Institution of Zambia and its subsidiary EIZ Properties Plc (“the Group”), which comprise the consolidated and separate statements of financial position at 31 December 2023, the consolidated and separate statements of comprehensive income, the consolidated statement of changes in members' funds and consolidated and separate cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of Material Accounting Policy Information and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Engineering Institution of Zambia Act No. 17 of 2010 of the laws of Zambia.

Council's responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In the opinion of the Councillors:

- the consolidated and separate Statements of Comprehensive Income are drawn up so as to give a true and fair view of the profit of the Group and the Institution for the year ended 31 December 2023; and
- the consolidated and separate Statements of Financial Position are drawn up so as to give a true and fair view of the state of affairs of the Group and the Institution as at 31 December 2023.

Council has made an assessment of the Group's ability to continue as a going concern and believes that there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

Approval of the financial statements

The consolidated and separate financial statements of the Group and the Institution as indicated above and set out on pages 8 to 44 were approved by the Councillors on and were signed on its behalf by:

.....
Councillor

.....
Councillor

Independent Auditor's Report



MPH Chartered Accountants
Plot 4434A, Kumoyo Road, Longacres
P.O. Box 31014,
Lusaka, Zambia

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Mkandawana East
P.O. Box 21505, Kitwe

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Tel +260 212 225 166 (Kitwe)
Mobile +260 954 933 904
Website: www.mphzmn.co.zm

Independent Auditor's Report

To the members of the Engineering Institution of Zambia and its subsidiary EIZ Properties Plc.

Report on the Financial Statements

Opinion

We have audited the consolidated financial statements of the Engineering Institution of Zambia and its subsidiary EIZ Properties Plc (the Group), which comprise the consolidated and separate statements of financial position as at December 31, 2023, and the consolidated and separate statements of comprehensive income, the consolidated statement of changes in members' funds and the consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of Material Accounting Policy Information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Institution as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Engineering Institution of Zambia Act 17 of 2010 and the Companies Act, 2017.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA)*, and we have fulfilled our other ethical responsibilities in accordance with IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

Management and the Council are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management and the Council are responsible for assessing the Group'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 and the Council either intends to liquidate the Group or cease operations, or has no realistic alternative but to do so.

The Council are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

Independent Auditor's Report



Independent Auditor's Report (*continued*)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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 control.
- 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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 control that we identify during our audit.

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

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

Other Information

The Councillors are responsible for the other information included in the annual report. Our opinion on the financial statements does not cover other information and we do not express an audit opinion thereon. Our responsibility is to read the other information and consider whether the information therein is materially consistent with the financial statements. If based on our work, we conclude that there is a material misstatement we are required to report to that fact. We have nothing to report in this regard.

Independent Auditor's Report

Independent Auditor's Report (*continued*)

Report on Other Legal and Regulatory Requirements

(A) Engineering Institution of Zambia

Engineering Institution of Zambia Act No. 17 of 2010

In accordance with the First Schedule, Section 10 of the Engineering Institution of Zambia Act No. 17 of 2010, we report that, in our opinion, the required accounting records, and other records relating to the Institution's accounts have been properly kept, in accordance with the Act.

(B) EIZ Properties Plc.

Companies Act, 2017

The Zambia Companies Act of 2017 requires that in carrying out our audit of EIZ Properties Plc, we report on whether:

- i. There is no relationship, interest or debt which us, as the Company's auditor, have in the Company;
- ii. There are serious breaches by the Company's directors, of corporate governance principles or practices contained in part VII's sections 82 to 122 of the Zambia Companies Act of 2017; and
- iii. There is an omission in the financial statements as regards particulars of any loan made to a Company officer (a director, company secretary or executive officer of the company) during the year, and if reasonably possible, disclose such information in our opinion.

In respect of the foregoing requirements, we have no matter to report.

MPH Chartered Accountants
Zambia

Lusaka,

Larry N Phiri (AUD/F000142)
Partner

Consolidated Statement of Comprehensive Income

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)

Consolidated Financial Statements for the year ended 31 December 2023

Consolidated Statement of Comprehensive Income

		Group	Group	Institution	Institution
	Notes	2023 K	2022 K	2023 K	2022 K
Revenue					
Membership and registration fees	6	69,475,755	65,105,038	69,475,755	65,105,038
Other income	7	8,436,708	5,653,134	8,436,708	5,653,134
Gross income		77,912,463	70,758,172	77,912,463	70,758,172
Less: Activity costs	9	(21,085,432)	(19,086,213)	(21,085,432)	(19,086,213)
Gross surplus		56,827,031	51,671,959	56,827,031	51,671,959
Less: Operating and administrative expenditure	10	(41,866,877)	(40,044,135)	(41,866,877)	(40,044,135)
Surplus of income over expenditure before finance costs and investment income		14,960,155	11,627,824	14,960,155	11,627,824
Net financing and investment income	8	1,288,243	1,409,582	1,288,243	1,409,582
Surplus of income over expenditure after finance costs		16,248,398	13,037,406	16,248,398	13,037,406
Other comprehensive income					
<i>Items that will not subsequently be reclassified to income and expenditure</i>					
Fair value through other comprehensive income investments	13	443,789	160,457	443,789	160,457
Total comprehensive income		16,692,187	13,197,863	16,692,187	13,197,863

The accounting policies and notes on pages 12 to 44 are an integral part of these financial statements

Consolidated Statement of Financial Position

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)

Consolidated Financial Statements for the year ended 31 December 2023

Consolidated Statement of Financial Position

	Notes	Group	Group	Institution	Institution
		2023	2022	2023	2022
		K	K	K	K
Assets					
Non-Current Assets					
Fair value through other comprehensive income investments	13	1,018,816	575,027	1,018,816	575,027
Investment in EIZ Properties Plc	14	99,347,777	99,347,777	97,848,714	97,848,714
Property and equipment	15	14,980,424	6,563,916	14,980,424	6,563,916
Intangible assets	16	2,755,772	2,755,772	2,755,772	2,755,772
Right of Use Asset-ACSZ	17	35,599,744	-	35,599,744	-
Right of Use Asset-Kitwe Office	17	1,318,730	1,333,193	1,318,730	1,333,193
		<u>155,021,263</u>	<u>110,575,685</u>	<u>153,522,200</u>	<u>109,076,622</u>
Current Assets					
Trade and other receivables	18	344,522	3,200,272	344,522	3,200,272
Short term deposits	20	19,345,801	13,205,361	19,345,801	13,205,361
Amounts due from related party	19	10,530,158	-	10,530,158	-
Cash at bank and in hand	20	6,280,329	5,190,983	6,280,329	5,190,983
		<u>36,500,810</u>	<u>21,596,616</u>	<u>36,500,810</u>	<u>21,596,616</u>
Total Assets		191,522,073	132,172,301	190,023,010	130,673,238
Accumulated Funds and Liabilities					
Accumulated funds					
Accumulated reserves		100,875,090	84,626,692	100,875,090	84,626,692
Equity investment reserves		922,424	478,635	922,424	478,635
		<u>101,797,514</u>	<u>85,105,327</u>	<u>101,797,514</u>	<u>85,105,327</u>
Non-controlling interest	24	1,499,063	1,499,063	-	-
Members' Interest		103,296,577	86,604,390	101,797,514	85,105,327
Liabilities					
Non-Current Liabilities					
Right of Use- ACSZ	17	35,599,744	-	35,599,744	-
Long term portion of loan	22	11,855,601	6,959,989	11,855,601	6,959,989
Long-term portion of gratuity	23	1,481,377	1,764,601	1,481,377	1,764,601
		<u>48,936,722</u>	<u>8,724,590</u>	<u>48,936,722</u>	<u>8,724,590</u>
Current Liabilities					
Trade and other payables	21	26,159,868	27,578,292	26,159,868	27,578,292
Short term portion of loan	22	9,000,000	6,600,000	9,000,000	6,600,000
Short term portion of gratuity	23	4,128,906	2,665,029	4,128,906	2,665,029
		<u>39,288,774</u>	<u>36,843,321</u>	<u>39,288,774</u>	<u>36,843,321</u>
Total Liabilities		88,225,496	45,567,911	88,225,496	45,567,911
Total Accumulated Funds and Liabilities		191,522,073	132,172,301	190,023,010	130,673,238

The financial statements set out on pages 3 to 44, which have been prepared on the going concern basis, were approved by the Councillors on and were signed on its behalf by:

Councillor

Councillor

Consolidated Statement of Cash Flows

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)
Consolidated Financial Statements for the year ended 31 December 2023

Consolidated Statement of Changes in Members' Funds

	Note	Accumulated reserves	Equity investment reserves	Property revaluation reserves	Total
		K	K	K	K
At 1 January 2022		68,319,962	318,178	3,269,324	71,907,464
Property Impairment		3,269,324		(3,269,324)	-
Surplus/(Deficit) for the year as restated		13,037,406	-	-	13,037,406
Net value gain/(loss) on fair value through other comprehensive income investments	13	-	160,457	-	160,457
At 31 December 2022		84,626,692	478,635	-	85,105,327
At 1 January 2023		84,626,692	478,635	-	85,105,327
Surplus for the year		16,248,398	-	-	16,248,398
Net value gain/(loss) on fair value through other comprehensive income investments	13	-	443,789	-	443,789
At 31 December 2023 (Group and Institution)		100,875,090	922,424	-	101,797,514

Accumulated reserves

The accumulated reserves represent accumulated retained earnings from the operations of the Institution.

Equity investment reserves

The Equity Investment Reserves represent movements in the market value of listed investments that are held at fair value through comprehensive income.

Property revaluation reserves

Revaluation reserves are non-distributable reserves which represent the revaluation surplus on buildings.

The accounting policies and notes on pages 12 to 44 are an integral part of these financial statements.

Consolidated Statement of Changes in Members' Funds

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)
Consolidated Financial Statements for the year ended 31 December 2023

Consolidated Statement of Cash Flows

	Note	Group 2023 K	Group 2022 K	Institution 2023 K	Institution 2022 K
Cash flows from operating activities					
Surplus for the year		16,692,187	13,197,863	16,692,187	13,197,863
Adjusted for:					
Depreciation	15	1,631,166	1,311,911	1,631,166	1,311,911
Right of Use-Armortisation		14,464	14,464	14,464	14,464
Fair value adjustment-Equity Investments	13	(443,789)	(160,457)	(443,789)	(160,457)
Proceeds on disposal of PPE		337,505	-	337,505	-
Impairment of asset	16	-	1,191,175	-	1,191,175
Cash generated from operating activities		18,231,533	15,554,956	18,231,533	15,554,956
Return on investments and servicing of finance					
Net interest paid		-	-	-	-
Operating cash flows before movements in working capital		18,231,533	15,554,956	18,231,533	15,554,956
Changes in operating assets and liabilities					
Decrease/(Increase) in trade and other receivables	18	(7,674,407)	1,976,236	(7,674,407)	1,976,236
Increase/(decrease) in gratuity liabilities	23	1,180,653	1,708,810	1,180,653	1,708,810
Increase/(decrease) in trade and other payables	21	(1,418,424)	713,320	(1,418,424)	713,320
Net cash inflow from operating activities		10,319,355	19,953,322	10,319,355	19,953,322
Investing activities					
Investment in subsidiary	14	-	(12,646,618)	-	(12,646,618)
Acquisition of property and equipment	15	(10,385,179)	(2,714,051)	(10,385,179)	(2,714,051)
New DMIS	16	-	(212,272)	-	(212,272)
Net cash flow from investing activities		(10,385,179)	(15,572,941)	(10,385,179)	(15,572,941)
Net cash inflow/(outflow) before financing		(65,824)	4,380,381	(65,824)	4,380,381
Cash flows from financing activities					
Increase/(decrease) in loans	21(note 22)	7,295,611	4,377,828	7,295,611	4,377,828
Net cash from financing activities		7,229,787	8,758,209	7,229,787	8,758,209
Net cash inflow/(outflow)		7,229,787	8,758,209	7,229,787	8,758,209
Net cash and cash equivalents at the beginning of the year		18,396,344	9,638,135	18,396,344	9,638,135
Cash and cash equivalents at end of the year	20	25,626,131	18,396,344	25,626,131	18,396,344

The accounting policies and notes on pages 11 to 44 are an integral part of these financial statements.

Significant Accounting Policies

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)

Consolidated Financial Statements for the year ended 31 December 2023

Material Accounting Policy Information

1. Basis of preparation

(a) Statement of compliance

The consolidated and separate financial statements of the Group and the Institution have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Engineering Institution of Zambia Act No. 17 of 2010.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis; except for the following items (refer to individual accounting policies for details):

- Financial instruments - fair value through profit or loss
- Financial instruments - fair value through other comprehensive income
- Contingent consideration
- Investment property
- Revalued property, plant and equipment

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Institution and its subsidiary, EIZ Properties Plc. Control is achieved when the Institution;

- has control over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its control to affect its returns.

The Institution reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Institution has less than the majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Institution considers all relevant facts and circumstances in assessing whether or not the Institution's voting rights in an investee are sufficient to give power, including:

- The size of the Institution's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Institution, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Institution has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Material Accounting Policies

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)
Consolidated Financial Statements for the year ended 31 December 2023

Material Accounting Policy Information *(continued)*

1. Basis of preparation *(continued)*

(c) Basis of consolidation *(continued)*

Consolidation of a subsidiary begins when the Institution obtains control over the subsidiary and ceases when the Institution loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income and other comprehensive income from the date the Institution gains control until the date when the Institution ceases to control the subsidiary.

Income or loss and each component of other comprehensive income are attributed to the members of the Institution and to non-controlling interest. Total comprehensive income of a subsidiary is attributed to the members of the Institution and to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's interest in the subsidiary that do not result in the Group losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to members of the Institution.

When the Group loses control of the subsidiary, a gain or loss is recognized in comprehensive income and calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in the other comprehensive income in relation to that subsidiary (i.e. reclassified in comprehensive income are transferred to another category of equity as specified/permitted by applicable IFRSs).

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The areas where significant judgments and estimates have been made in preparing the financial statements are disclosed in note 5.

Material Accounting Policies

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)
Consolidated Financial Statements for the year ended 31 December 2023

Material Accounting Policy Information (*continued*)

2. Material Accounting Policy Information

a) Revenue recognition

Membership and registration fees

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Institution and the revenue can be reliably measured. Revenue is measured at fair value of the consideration received or receivable and represents amounts received or receivable for membership, or services rendered and where there is reasonable expectation that the income will be received and all conditions will be complied with.

Revenue from subscription and registration fees is accounted for as it accrues. Membership ceases when subscriptions are unpaid.

Investment income

Investment income is accounted for on an accruals basis and relates to bank interest earned, dividend income and rental income from lease of part of the Institution's buildings.

Dividend income is recognised when the Institution's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Institution and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Institution and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(b) Property and equipment

i) Owned assets

Items of property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Cost also may include transfers from accumulated funds of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Material Accounting Policies

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)
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Material Accounting Policy Information (*continued*)

Material Accounting Policy Information (*continued*)

(b) Property and equipment (*continued*)

i) Owned assets (continued)

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within “other income” in the statement of comprehensive income. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

ii) Subsequent expenditure

Expenditure incurred to replace a component of property, plant and equipment that is accounted for separately, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of land and buildings. All other expenditure is recognised in comprehensive income as incurred.

iii) Depreciation

Depreciation is recognised in comprehensive income on a straight line basis over the estimated useful life of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current period are as follows:

- | | |
|----------------------------|---------------------------|
| • Leasehold buildings | 2.5% straight line method |
| • Motor vehicles | 20% straight line method |
| • Office equipment | 15% straight line method |
| • Furniture and fittings | 25% straight line method |
| • Capital work in progress | Nil |
| • Computer software | 15% straight line method |
| • Medallion | Nil |

The residual value, depreciation methods and useful lives are reassessed at each financial year end and adjusted if appropriate.

(c) Intangible assets

An intangible asset is recognized when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably. Intangible assets are initially recognized at cost.

Intangible assets are carried at cost less any accumulated amortization and any impairment losses. An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortization is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

Material Accounting Policies

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)

Consolidated Financial Statements for the year ended 31 December 2023

Material Accounting Policy Information (*continued*)

2. Material Accounting Policy Information (*continued*)

(c) Intangible assets (*continued*)

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values.

(d) Inventories

Inventories are valued on a consistent basis at the lower of cost and net realisable value. In determining the cost, the first-in, first-out method is used and includes all costs incurred in bringing the inventories to its present location and condition. Net realisable value takes into account all directly related costs to be incurred in marketing, selling and distribution.

(e) Trade and other payables

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

(f) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the reporting date and gains and losses on translation are included in the Statement of Comprehensive Income.

(g) Retirement benefits

The Institution provides retirement benefits for all employees as provided for in statutory instrument No. 119, and in line with the Institutions conditions of service. On 1 February 2000, the National Pension Scheme Authority (NAPSA) also came into effect. Membership for employees is compulsory and monthly contributions by both employer and employees are made. The Institution's employees are entitled to end of contract gratuity. Provision is made for past service on the basis of salaries expected to be payable at the end of the contract. Employee benefits expected to be settled wholly within twelve months after the end of the reporting period are short-term benefits, and are not discounted. Employee benefits expected to be settled more than twelve months after the end of the reporting period are presented as non-current liabilities and calculated using the projected unit credit method and then discounted using yield available to high quality government bonds that have maturity dates approximating to the expected remaining period to settlement.

Material Accounting Policies

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)

Consolidated Financial Statements for the year ended 31 December 2023

Material Accounting Policy Information (*continued*)

2. Material Accounting Policy Information (*continued*)

(h) Investments in equity securities

The fair value of shares that are actively traded on the Stock exchange is determined by reference to quoted market prices at the close of business on the statement of financial position date. Any changes in the value of the shares are reflected in the Statement of Comprehensive Income.

(i) Financial instruments

Financial assets and financial liabilities are recognised in the Institution's statement of financial position when the Institution becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of comprehensive income.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in comprehensive income. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to comprehensive income. In contrast, on derecognition of an investment in equity instrument which the Institution has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in an investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Institution are recognised at the proceeds received, net of direct issue costs.

Material Accounting Policies

The Engineering Institution of Zambia

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Material Accounting Policy Information (*continued*)

2. Material Accounting Policy Information (*continued*)

(i) Financial instruments (*continued*)

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Institution, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) or contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Institution manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.
- A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Institution's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in comprehensive income to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in comprehensive income.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in comprehensive income. The remaining amount of change in the fair value of liability is recognised in comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to income or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Institution that are designated by the Institution as at FVTPL are recognised in comprehensive income.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of

Material Accounting Policies

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)
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Accounting Policies (*continued*)

2. Material Accounting Policy Information (*continued*)

Financial liabilities at FVTOL (*continued*)

a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the

Financial guarantee expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in comprehensive income for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in comprehensive income for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Institution derecognises financial liabilities when, and only when, the Institution's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in comprehensive income.

existing lender exchanges one debt instrument for another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Institution accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in comprehensive income as the modification gain or loss within other gains and losses.

Material Accounting Policies

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)
Consolidated Financial Statements for the year ended 31 December 2023

Accounting Policies (*continued*)

Material Accounting Policy Information (*continued*)

Derivative financial instruments

The Institution does not enter into any derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks.

Foreign exchange gains and losses (*continued*)

(j) Provisions

A provision is recognised in the statement of financial position when the Institution has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made.

(k) Government grants

Revenue grants are recognised as income in the Statement of Comprehensive Income when there is reasonable assurance that they will be received and the Institution will comply with the conditions associated with the grant. Capital grants for acquisition of capital assets are initially recognised as deferred income at cost or fair value. Subsequent to initial recognition, the cost or fair value is recognised as revenue in the Statement of Comprehensive Income on a systematic basis over the useful life of the respective asset.

(l) Revaluation

Leasehold properties are valued on a periodic basis by independent valuers and the resulting surplus is credited to revaluation reserves.

(m) Land under lease

Leasehold property under lease is held as operating lease and the cost amortised over the period of the lease.

(n) Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and fixed deposits which have a maturity period of less than three months. Bank overdrafts that are repayable on demand and form an integral part of the Institution's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(o) Impairment

Financial assets

The carrying amounts of the Institution's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is

Material Accounting Policies

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)
Consolidated Financial Statements for the year ended 31 December 2023

Accounting Policies (*continued*)

estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

i) Calculation of recoverable amount

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised directly in equity to comprehensive income. The cumulative loss that is removed from equity and recognised in comprehensive income is the difference between the acquisition

Material Accounting Policy Information (*continued*)

costs, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in comprehensive income. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

Financial assets

If in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in comprehensive income, then the impairment loss is reversed with the amount of the reversal recognised in comprehensive income.

(o) Impairment

Financial assets

ii) Reversals of impairment

An impairment loss in respect of a held to maturity security or receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

Non-financial assets

The carrying amounts of the Institution's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in comprehensive income. Impairment

Material Accounting Policies

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)

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Material Accounting Policy Information (*continued*)

losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. Material Accounting Policy Information (*continued*)

(p) Leases

The scope of IFRS 16 includes lease of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract that conveys the right to use asset (the underlying asset) for a period of time in exchange for consideration.

IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for leases-leases of 'low value' assets (e.g. personal computers) and short-term lease (i.e. lease with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use of an asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use of an asset. Lessees will be required to re-measure the lease liability upon the occurrence of certain events (e.g. a change in an index or rate used to determine those payments).

The lessee will generally recognise the amount of the measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases; operating and finance leases.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset), are capitalised as part of the cost of the respective assets, all other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are invested for short term out of money borrowed specifically to finance a project, the income generated from the temporary investment of amounts is deducted from borrowing costs.

Capitalisation should cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.

Material Accounting Policies

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Material Accounting Policy Information (*continued*)

3. Financial risk management

The Councillors have overall responsibility for the establishment and oversight of the Institution's risk management framework.

The Institution's risk management policies are established to identify and analyse the risks faced by the Institution, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Institution's activities. The Institution's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance, but the Institution does not hedge any risk.

Financial risk management is carried out by the finance department under policies approved by the Council.

(a) Credit risk

Credit risk is the risk of financial loss to the Institution if a counterparty to a financial instrument fails to meet its contractual obligations.

Trade and other receivables

The Institution assesses the credit quality of each counterparty, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Council. The utilisation of credit limits is regularly monitored.

The Institution establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowance is a specific loss component that relates to individual exposures.

(b) Liquidity risk

Liquidity risk is the risk that the Institution will not be able to meet its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

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Material Accounting Policy Information (*continued*)

3. Financial risk management (*continued*)

(b) Liquidity risk (*continued*)

Management of liquidity risk

The Institution's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Institution's reputation.

The Institution ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Institution's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) *Currency risk*

The Institution is not exposed to significant currency risk on subscriptions and registration fees, purchases and borrowings. These are denominated in local currency.

Management of currency risk

In respect of other monetary assets and liabilities denominated in foreign currencies, the Institution ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Institution does not use any hedging strategies.

(ii) *Interest rate risk*

Interest rate risk is the risk that the fair value of a financial instrument or the future cash flows will fluctuate due to changes in market interest rates.

The Institution's only interest-bearing financial liabilities are the Finance Lease obligations and bank loans which are at variable rates and on which it is therefore exposed to interest risk. The Institution regularly monitors financing options available to optimise interest rates obtained.

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Material Accounting Policy Information

5 New Standards and interpretations

5.1 New and revised IFRSs affecting amounts reported and/or disclosures in the financial statements

In the current year, a number of amendments to IFRSs and new Interpretations issued by the International Accounting Standards Board (IASB) have become effective and are mandatorily effective for an accounting period that begins on or after 1 January 2023.

Standard	Requirement	Effective date
Amendment to IFRS 4 - Extension of the temporary exemption from applying IFRS 9	The IASB deferred the effective date of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. As a consequence, the Board extended the expiry date in IFRS 4 for the temporary exemption from IFRS 9 by two years to annual periods beginning on or after 1 January 2023. The extension maintains the alignment between the expiry date of the temporary exemption and the effective date of IFRS 17	Annual reporting periods beginning on or after 1 January 2023.
Amendment to IAS 1 - Classification of Liabilities as Current or Non-current – Deferral of Effective Date	The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specifically that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to make clear that settlement refers to the counterparty of cash, equity instruments, other assets or services.	Annual periods beginning on or after 1 January 2023. Earlier application is permitted. As a result of the covid-19 pandemic, the Board deferred the effective date of the amendments by one year to annual reporting periods beginning on or after 1 January 2024
Amendments to IAS 1, Presentation of financial statements and IFRS Practice Statement 2 - Making Materiality judgments - Disclosure of Accounting Policies	The amendments change the requirements of IAS 1 and are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments replace all instances of the term ‘Significant Accounting Policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.	Annual periods beginning on or after 1 January 2023. Earlier application is permitted and is applied prospectively.
IFRS 17 Insurance contracts	The standard takes the view that insurance contracts combine features of a financial instrument and a service contract, and that many generate cash flows that vary substantially over time. It therefore takes approach of: <ul style="list-style-type: none"> Combining current measurement of future cash flows with recognizing profit over the period that services are provided under the contract Presenting insurance service results (including insurance revenue) separately from insurance finance income or expenses, and Requiring an entity to make an accounting policy choice for each portfolio whether to recognize all insurance finance income or expenses for the reporting period in profit or loss, or to recognize some 	Annual periods beginning on or after 1 January 2023

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		Annual beginning after 1 2023	periods on or January
	in other comprehensive income.		
Definition of Accounting Estimates (Amendment to IAS 8)	<ul style="list-style-type: none"> In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS8. The amendments also clarified that effects of a changes in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors 		
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	<p>In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognized simultaneously (e,g a lease in the scope of IFRS 16), The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.</p>		

Material Accounting Policies

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Material accounting policy information

5 New standards and interpretations

5.2 New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective. The Directors do not expect that the adoption of the Standards listed below will have a material impact on the financial statements of the Company in future periods, except where indicated:

Amendment to IFRS 16 - Leases on sale and lease back.	These amendments include requirements for sale and leaseback transactions in IFRS16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	Annual periods beginning on or after 1 January 2024.
Amendment to IAS 1 - Non-current liabilities with covenants.	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	Annual periods beginning on or after 1 January 2024
Amendment to IAS 7 and IFRS 7- Supplier finance	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	Annual periods beginning on or after 1 January 2024 (with transitional reliefs in the first year).
Amendments to IAS 21 - Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	Annual periods beginning on or after 1 January 2025 (early adoption is available)
IFRS S1, 'General requirements for disclosure of sustainability related financial information	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	Reporting periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local
IFRS S2, 'Climate-	This is the first thematic standard issued that sets out	

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related disclosures'	requirements for entities to disclose information about climate-related risks and opportunities. The standard applies to the following:	jurisdictions
	<ul style="list-style-type: none">• Climate -related physical risks• Climate- related transition risks and climate- related opportunities available to the entity	Reporting periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions

Material Accounting Policies

The Engineering Institution of Zambia

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Material accounting policy information (*continued*)

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Impairment losses on receivables

When measuring expected credit loss, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Material Accounting Policies

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Material Accounting Policy Information (continued)

6 Critical accounting estimates and judgement in applying accounting policies (continued)

Impairment of assets other than receivables

The carrying amounts of the Company's assets other than receivables are reviewed at each reporting date to determine whether there is an indication of impairment. If any such exists, the asset's recoverable amount is estimated. This estimation requires significant judgement. An impairment loss is recognized in the income statement whenever the carrying amount exceeds the recoverable amount.

Fair value measurement

The carrying amounts of financial assets and liabilities are representative of the Institution's position at 31 December 2022 and are in the opinion of the Councilors not significantly different from their respective fair values due to generally short periods to maturity dates. The significant classes of financial assets and liabilities are as disclosed in the statement of financial position. As far as possible market prices are applied in determining fair values.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs which have a significant effect on the recorded amounts; and
- fair values that are not based on observable market data.

Fair value measurement

Financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Company's own models whereby the majority of assumptions are market observable.

Non market observable inputs means that fair values are determined, in whole or in part, using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument, nor are they based on available market data. The main asset classes in this category are unlisted equity investments and debt instruments. Valuation techniques are used to the extent that observable inputs are not available,

Material Accounting Policies

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Material accounting policy information (continued)

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

6.3 Impact of the application of IFRS 16

The impact of IFRS 16 on the Company has been assessed under note 7(ii) (page 40) of these financial statements.

Material Accounting Policies

The Engineering Institution of Zambia

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5. Critical accounting estimates and judgement in applying accounting policies

The Institution makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Institution determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Institution monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Institution's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Impairment losses on receivables

When measuring expected credit loss, the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

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Material Accounting Policy Information (*continued*)

5. Critical accounting estimates and judgement in applying accounting policies (*continued*)

Impairment of assets other than receivables

The carrying amounts of the Institution's assets other than receivables are reviewed at each reporting date to determine whether there is an indication of impairment. If any such exists, the asset's recoverable amount is estimated. This estimation requires significant judgement. An impairment loss is recognized in the income statement whenever the carrying amount exceeds the recoverable amount.

Fair value measurement

The carrying amounts of financial assets and liabilities are representative of the Institution's position at 31 December 2022 and are in the opinion of the Councillors not significantly different from their respective fair values due to generally short periods to maturity dates. The significant classes of financial assets and liabilities are as disclosed in the statement of financial position. As far as possible market prices are applied in determining fair values.

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The Institution uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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- Level 3: techniques which use inputs which have a significant effect on the recorded amounts; and
- fair values that are not based on observable market data.

Fair value measurement

Financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Institution's own models whereby the majority of assumptions are market observable.

Non market observable inputs means that fair values are determined, in whole or in part, using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument, nor are they based on available market data. The main asset classes in this category are unlisted equity investments and debt instruments. Valuation techniques are used to the extent that observable inputs are not available,

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Material Accounting Policy Information (*continued*)

5. Critical accounting estimates and judgement in applying accounting policies (*continued*)

Fair value measurement (continued)

thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

There were no financial assets and liabilities transferred between levels.

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Notes to the Consolidated Financial Statements

	Note	Group 2023 K	Group 2022 K	Institution 2023 K	Institution 2022 K
6. Membership and registration fees					
Registration fees		36,330,251	32,595,681	36,330,251	32,595,681
Membership subscriptions		28,738,053	28,684,588	28,738,053	28,684,588
Processing and application fees		4,407,452	3,824,769	4,407,452	3,824,769
		<u>69,475,755</u>	<u>65,105,038</u>	<u>69,475,755</u>	<u>65,105,038</u>
7. Other income					
AGM symposium and dinner dance		5,622,364	3,912,072	5,622,364	3,912,072
Donations		2,040,000	1,715,450	2,040,000	1,715,450
Sundry income		774,34	25,612	774,344	25,612
		<u>8,436,708</u>	<u>5,653,134</u>	<u>8,436,708</u>	<u>5,653,134</u>
8. Net financing and investment income					
Bank interest received		1,261,243	1,409,582	1,261,243	1,409,582
Rental income		27,000	-	27,000	-
		<u>1,013,243</u>	<u>1,409,582</u>	<u>1,013,243</u>	<u>1,409,582</u>
9. Activity costs					
AGM. Symposium and dinner dance		10,872,228	9,907,828	10,872,228	9,907,828
Membership and CPD		5,342,397	5,180,585	5,342,397	5,180,585
Compliance and inspection		2,012,428	1,848,804	2,012,428	1,848,804
Policy, public relations and National Development		2,324,439	957,821	2,324,439	957,821
EGM costs		533,940	-	533,940	-
Asset impairment		-	1,191,175	-	1,191,175
		<u>21,085,432</u>	<u>19,086,213</u>	<u>21,085,432</u>	<u>19,086,213</u>
10. Operating and administrative expenditure					
Personal emoluments	12	25,594,588	24,274,364	25,594,588	24,274,364
Other operating and administrative expenses		14,626,659	14,443,396	14,626,659	14,443,396
Depreciation	15	1,631,166	1,311,911	1,631,166	1,311,911
Right of Use Asset impairment		14,464	14,464	14,464	14,464
		<u>41,866,877</u>	<u>40,044,135</u>	<u>41,866,877</u>	<u>40,044,135</u>

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Notes to the Consolidated Financial Statements (*continued*)

	Group 2023 K	Group 2022 K	Institution 2023 K	Institution 2022 K
11. Finance costs				
Finance charges on lease obligations	-	-	-	-
	-	-	-	-
12. Personal emoluments				
Gross pay	12,348,808	10,924,287	12,348,808	10,924,287
NAPSA Employer's contribution	625,960	514,413	625,960	514,413
Leave pay	1,467,085	2,265,300	1,467,085	2,265,300
Gratuity expense	4,082,386	3,794,933	4,082,386	3,794,933
Housing, Transport & Education allowances	5,741,242	5,067,339	5,741,242	5,067,339
Workers Compensation Fund	26,053	15,152	26,053	15,152
Other payroll related expenses	1,303,054	1,692,940	1,303,054	1,692,940
	25,594,588	24,274,364	25,594,588	24,274,364
13. Fair value through other comprehensive income investments				
Standard Chartered Bank Zambia Plc	71,031	62,507	71,031	62,507
Investrust Bank Plc	15,450	15,450	15,450	15,450
Copperbelt Energy Corporation Plc	932,335	497,070	932,335	497,070
	1,018,816	575,027	1,018,816	575,027
Opening balance	575,027	414,570	575,027	414,570
Fair value adjustment	443,789	160,457	443,789	160,457
Disposal of shares	-	-	-	-
Closing balance	1,018,816	575,027	1,018,816	575,027
14. Investment in subsidiary -EIZ Properties Plc				
	Group	Group	Institution	Institution
As at 1 January	97,848,714	97,848,714	97,848,714	85,202,096
Additions	-	-	-	12,646,618
Non-Controlling Interest (NCI)	1,499,063	1,499,063	-	-
At 31 December	99,347,777	99,347,777	97,848,714	97,848,714

The Engineering Institution of Zambia (EIZ) holds 98% of the shares in EIZ properties of which 36% are un allotted shares but fully paid. The rest (2%) are held by individual members.

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Notes to the Consolidated Financial Statements (*continued*)

15. Property and equipment - Group and Institution

	2023			2022		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost/ valuation	Accumulated depreciation	Carrying value
Buildings (WIP)	9,877,285	-	9,877,285	1,116,138	(716,825)	399,313
Motor vehicles	8,192,719	(4,953,250)	3,239,468	8,878,441	(4,114,147)	4,764,294
DMIS/Evolution	2,755,772	-	2,755,772	-	-	-
Furniture and fittings	1,117,112	(667,918)	449,194	950,112	(574,686)	375,426
Office equipment	3,060,064	(1,646,577)	1,413,487	2,468,632	(1,444,738)	1,023,894
Generator	142,829	(142,828)	1	142,829	(142,498)	1
Medallion	988	-	988	988	-	988
Institution total	25,146,769	(7,410,573)	17,736,195	13,557,140	(6,993,224)	6,563,916
Capital work in progress	97,848,714	-	97,848,714	97,848,714	-	97,848,714
Group total	122,995,483	(7,410,573)	115,584,909	111,405,854	(6,993,224)	104,412,630

Reconciliation of property and equipment - December 2023

	Opening balance	Additions/ revaluation	Impairment	Depreciation	Disposals	Transfers/ reclassification
Buildings (WIP)	399,313	9,477,972	-	-	-	9,877,285
Motor vehicles	4,764,294	-	-	(1,193,393)	(331,433)	3,239,468
DMIS/Evolution	2,755,772	-	-	-	-	2,755,772
Furniture and fittings	375,426	225,179	-	(151,372)	(38)	449,194
Office equipment	1,023,894	682,027	-	(286,400)	(6,035)	1,413,487
Generator	1	-	-	(2)	-	1
Medallion	988	-	-	-	-	988
Institution total	9,319,688	10,385,178	-	(1,313,321)	(331,433)	17,736,195
Capital work in progress	97,848,714	-	-	-	-	97,848,714
Group total	107,168,402	10,385,178	-	(1,313,321)	(331,433)	115,584,909

Notes to the Consolidated Financial Statements

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Notes to the Consolidated Financial Statements (*continued*)

		Group	Institution	Institution			
	Note	2023 K	2023 K	2022 K			
<i>Reconciliation of property and equipment - December 2022</i>							
	Opening balance	Additions/ revaluation	Impairment	Transfers/ reclassificati on	Depreciation	Depreciation on disposals	Total
Buildings	1,191,175	399,313	(1,191,175)	-	-	-	399,313
Motor vehicles	4,006,029	1,739,395	-	-	(981,130)	-	4,764,294
DMIS/Evolution	2,543,500	212,272	-	-	-	-	2,755,772
Furniture and fittings	343,087	149,266	-	-	(116,927)	-	375,426
Office equipment	811,670	426,076	-	-	(213,852)	-	1,023,894
Generator	3	-	-	-	(328)	-	1
Medallion	988	-	-	-	-	-	988
Institution total	8,896,452	2,298,802	-	-	(1,198,366)	-	9,319,688
Capital work in progress	85,202,096	13,618,500	-	-	-	-	97,848,714
Group total	94,098,549	15,917,302	-	-	(1,198,366)	-	107,168,402

Fully depreciated assets valued at cost of K3,890,456 are included in these financial statements.

Property number 8 off Kantanta Street, Nkana East Kitwe included in these financial statements was gifted to the Institution by ZCCM-IH. Title has been obtained by the Institution. The property was revalued during January 2016 by Upmarket Property Consultants, registered valuation surveyor. The valuation was carried out to conform to the Guidance Notes prepared by the Royal Institution of Chartered Surveyors.

Capital work in progress relates to the construction of EIZ Properties Plc Head Office in Lusaka's showgrounds area. Included in capital work in progress is interest capitalized of K2, 453,019 (2021 K2,364,933).

16. Intangible assets

Cost

As at 1 January	2,755,772	2,755,772	2,543,500
New DMIS (WIP)	-	-	212,272
Impairment	-	-	-
At 31 December	<u>2,755,772</u>	<u>2,755,772</u>	<u>2,755,772</u>

Computer software relates to costs incurred in the design and development of a web based Database Management Information System for membership registration.

Notes to the Consolidated Financial Statements

The Engineering Institution of Zambia

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Notes to the Consolidated Financial Statements (*continued*)

	Group 2023 K	Group 2022 K	Institution 2023 K	Institution 2022 K
17. Right-of-Use Asset				
(a) Leasehold Land at 8 Kantanta Street, Kitwe				
At 31 December 2021				
Cost/Revaluation of Leasehold land -Kitwe				1,450,000
Accumulated amortization Armotisation for the year				(87,879) (14,464)
Closing balance				<u>1,347,657</u>
At 31 December 2022				
Cost/Revaluation of Leasehold land -Kitwe				1,450,000
Accumulated amortization Armotisation for the year				(102,343) (14,464)
Closing balance				<u>1,333,193</u>
At 31 December 2023				
Cost/Revaluation of Leasehold land -Kitwe				1,450,000
Accumulated amortization Armotisation for the year				(116,807) (14,464)
Closing balance				<u>1,318,7</u>
b) Leasehold Land at Stand No.2374 Kelvin Siwale Road, Showgrounds, Lusaka				
At 31 December 2023				
Cost/Revaluation of Leasehold land				36,561,899
Accumulated amortization Armotisation for the year				- (962,155)
Closing balance				<u>35,599,744</u>

The Institution entered into a Land lease agreement with the Agricultural and Commercial Society of Zambia (ACSZ) on the 17th October,2011 for a tenure of fifty years (50).

The land is situated on Stand No.2374, Show grounds in Lusaka. The lessee, the Engineering Institution of Zambia, agreed to be paying lease rentals quoted in US dollars that would be escalated annually at 4% upon completion of the development period.

In order to give legal mandate to the EIZ Properties Plc, the Institution entered into a Sub-lease with the EIZ Properties Plc and it was agreed the Company would take over the servicing of the lease rentals with the ACSZ when it started trading. The Sub-lease between EIZ and EIZ Properties Plc was for convenience only and no economical value was exchanged or considered.

Notes to the Consolidated Financial Statements

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In compliance with the applicability of IFRS 16 with regard to the land lease, we have capitalized the present value of future lease payments to ACSZ and will be amortised over the remaining life of the lease which is thirty-eight (38) years as at 31 December, 2023. This amortisation is through the lease liability as the lease payments will be made by EIZ Properties Plc

18. Trade and other receivables

Trade receivables	-	2,387,895	-	2,387,895
Less: Impairment losses	-	-	-	-
Net trade receivables	-	2,387,895	-	2,387,895
Staff receivables	344,522	702,379	344,522	702,379
Less: Impairment losses	-	-	-	-
Net staff receivables	344,522	702,379	344,522	702,379
Other receivables	-	-	-	-
Less: Impairment losses	-	-	-	-
Net other receivables	-	-	-	-
Prepayments and deposits	-	109,998	-	109,998
Bank interest receivable	-	-	-	-
Total receivables	344,522	3,200,272	344,522	3,200,272

The carrying amounts of the above trade and other receivables approximate to their fair values.

Notes to the Consolidated Financial Statements

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)

Consolidated Financial Statements for the year ended 31 December 2023

Notes to the consolidated Financial Statements (*continued*)

	Group 2023 K	Group 2022 K	Institution 2023 K	Institution 2022 K
19. Amounts due from related Party				
EIZ Properties Plc	10,530,158	-	10,530,158	-

20. Cash and cash equivalents

Short term deposits	19,345,801	13,205,361	19,345,801	13,205,361
Cash at bank and in hand	6,280,329	5,190,983	6,280,329	5,190,983
	<u>25,626,131</u>	<u>18,396,344</u>	<u>25,626,131</u>	<u>18,396,344</u>

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

Cash and bank balances as above	<u>25,626,131</u>	<u>18,396,344</u>	<u>25,626,131</u>	<u>18,396,344</u>
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21. Trade and other payables

Trade and other creditors	876,134	1,703,509	876,134	1,703,509
Hua Chang Engineering (IPC 9)	-	2,878,177	-	2,878,177
Other accruals and payables	1,015,935	836,548	1,015,935	836,548
Deferred income-subscriptions prepaid	22,768,736	19,837,570	22,768,736	19,837,570
EIZ Properties-Rent received	-	823,425	-	823,425
EIZ Properties sale of shares	1,499,063	1,499,063	1,499,063	1,499,063
	<u>26,159,868</u>	<u>27,578,292</u>	<u>26,159,868</u>	<u>27,578,292</u>

22. Indo-Zambia Bank Loan

Long-term portion	11,855,601	6,959,990	11,855,601	6,959,990
Short-term portion	9,000,000	6,600,000	9,000,000	6,600,000
	<u>20,855,601</u>	<u>13,559,990</u>	<u>20,855,601</u>	<u>13,559,990</u>

Engineering Institution of Zambia (EIZ) procured and additional loan of K29.2 million during the year 2022. Part of the funds were used to refinance the old loan which stood at K7.8 million at the time and the difference would be invested in finishing the Engineering House which is located at stand No.2374 Showgrounds in Lusaka.

23. Staff gratuity provision

Long-term portion (note 23)	1,481,377	1,764,601	1,481,377	1,764,601
Short-term portion (note 23)	4,128,906	2,665,029	4,128,906	2,665,029
	<u>5,610,283</u>	<u>4,429,630</u>	<u>5,610,283</u>	<u>4,429,630</u>

Notes to the Consolidated Financial Statements

The Engineering Institution of Zambia

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The staff gratuity provision is meant to cover employees' benefits at the end of the contract as stipulated in the Engineering Institution of Zambia conditions of service.

Notes to the consolidated Financial Statements (*continued*)

	Group 2023 K	Group 2022 K	Institution 2023 K	Institution 2022 K
23. Employee benefits				
Long term gratuity	1,481,377	1,764,601	1,481,377	1,764,601
Prior year adjustment	-	-	-	-
Balance at 31 December (note 23)	1,481,377	1,764,601	1,481,377	1,764,601
Short term gratuity	4,128,906	2,665,029	4,128,906	2,665,029
Leave provision				
Balance at 31 December (note 23)	5,610,283	4,429,630	5,610,283	4,429,630

24. non-controlling interest

Non - controlling interest represents individual members' interest in EIZ Properties Plc.

25. Financial risk Management

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

	Note	Group 2023 K	Group 2022 K	Institution 2023 K	Institution 2022 K
Cash and cash equivalent	19	25,626,131	18,396,344	25,626,131	18,396,344
Trade and other receivables	18	344,522	3,200,272	344,522	3,200,272
		25,970,653	21,596,616	25,970,653	21,596,616

No collateral is held for the receivables. The Institution does not grade the credit quality of receivables. All receivables that are neither past due nor impaired are within their approved limits, and no receivables have had their terms renegotiated.

Management of liquidity risks

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

Notes to the Consolidated Financial Statements

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)
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Management monitors rolling forecasts of the Institution's liquidity reserves on the basis of expected cash flows.

The table below analyses the Institution's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Notes to the Consolidated Financial Statements (*continued*)

		Note			
		Group			
		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<i>At 31 December 2023</i>					
Trade and other payables	21	26,159,868	-	1,499,063	-
		26,159,868	-	1,499,063	-
<i>At 31 December 2022</i>					
Trade and other payables	21	26,079,229	1,499,063	-	-
		26,079,229	1,499,063	-	-
		Institution			
		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<i>At 31 December 2023</i>					
Trade and other payables	21	26,159,868	-	1,499,063	-
		26,159,868	-	1,499,063	-
<i>At 31 December 2022</i>					
Trade and other payables	21	26,079,229	1,499,063	-	-
		26,079,229	1,499,063	-	-

26. Taxation

The Institution is exempt from taxation under the Income tax Act Section 5(i) of part III Second Schedule of CAP 323 of the Laws of Zambia.

Notes to the Consolidated Financial Statements

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)

Consolidated Financial Statements for the year ended 31 December 2023

Notes to the Consolidated Financial Statements (*continued*)

	Group 2022 K	Group 2021 K	Institution 2022 K	Institution 2021 K
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27. Capital commitments

There were no capital commitments as at 31st December, 2023 (2022: nil).

28. Contingent liabilities

There were no contingent liabilities as at 31st December, 2023 (2022: nil).

29. Related party transactions

Key related party transactions are in respect of management remuneration and the remuneration of Council members.

The remuneration of Council members and key Management during the year was as follows:

Key management personnel remuneration	2,109,400	2,738,427	2,109,400	2,738,427
Council and Committee remuneration	2,808,800	2,920,000	2,808,800	2,920,000
	<u>4,918,200</u>	<u>5,658,427</u>	<u>4,918,200</u>	<u>5,658,427</u>

Related party transaction balances

Balance receivable

Key management advances	60,000	25,667	60,000	25,667
	<u>60,000</u>	<u>25,667</u>	<u>60,000</u>	<u>25,667</u>

Balance payable

Key management gratuity payable	807,520	705,680	807,520	705,680
	<u>807,520</u>	<u>705,680</u>	<u>807,520</u>	<u>705,680</u>

30. Group entity

The Engineering Institution of Zambia (EIZ) holds 98% of the shares in EIZ properties of which 36% are un allotted shares but fully paid. The rest (2%) are held by individual members.

Detailed Consolidated Statement of Comprehensive Income

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)

Consolidated Financial Statements for the year ended 31 December 2023

Detailed Consolidated Statement of Comprehensive Income

	Group	Group	Institution	Institution
	2023	2022	2023	2022
	K	K	K	K
Revenue				
Registration fees	36,330,250	32,595,681	36,330,250	32,595,681
Membership subscriptions	28,738,053	28,684,588	28,738,053	28,684,588
Processing and application fees	4,407,452	3,824,769	4,407,452	3,824,769
	69,475,755	65,105,038	69,475,755	65,105,038
Other income				
AGM symposium and dinner dance	5,622,364	3,912,072	5,622,364	3,912,072
Donations	2,040,000	1,715,450	2,040,000	1,715,450
Sundry income	774,344	25,612	774,344	25,612
	8,436,708	5,653,134	8,436,708	5,653,134
Gross income	77,912,464	70,758,172	77,912,464	70,758,172
Expenditure				
Activity costs				
AGM. Symposium and dinner dance	(10,872,228)	(9,907,828)	(10,872,228)	(9,907,828)
Membership and CPD	(5,342,397)	(5,180,585)	(5,342,397)	(5,180,585)
Compliance and inspection	(2,012,428)	(1,848,804)	(2,012,428)	(1,848,804)
Asset impairment	-	(1,191,175)	-	(1,191,175)
EGM Costs	(533,940)	-	(533,940)	-
Policy, public relations and National Development	(2,324,439)	(957,821)	(2,324,439)	(957,821)
	(21,085,432)	(19,086,213)	(21,085,432)	(19,086,213)
Finance costs				
Operating and administrative expenditure				
Personal emoluments	(25,594,588)	(24,274,364)	(25,594,588)	(24,274,364)
Other operating and administrative expenses (Appendix I)	(14,626,659)	(14,353,693)	(14,626,659)	(14,353,693)
Depreciation	(1,631,166)	(1,311,911)	(1,631,166)	(1,311,911)
Right-of-Use asset-amortisation	(14,464)	(14,464)	(14,464)	(14,464)
	(41,866,877)	(40,044,135)	(41,866,877)	(40,044,135)
Surplus / (Deficit) for the year	14,960,155	11,627,824	14,960,155	11,627,824
Other comprehensive income				
Net financing and investment income	1,288,243	1,409,582	1,288,243	1,409,582
Net value gain/(loss) on fair value through other comprehensive income investments	443,789	160,457	443,789	160,457
Total comprehensive income	16,692,187	13,197,863	16,692,187	13,197,863

Operating and Administrative Expenditure

The Engineering Institution of Zambia

(Established under the Engineering Institution of Zambia Act No. 17 of 2010)

Consolidated Financial Statements for the year ended 31 December 2023

Operating and Administrative Expenditure

Appendix I

	Group	Group	Institution	Institution
	2023	2022	2023	2022
	K	K	K	K
Operating expenses				
Audit fees	55,558	219,521	55,558	219,521
Bank charges	601,539	227,438	601,539	227,438
Cleaning expenses	4,700	9,050	4,700	9,050
Consultancy fees	59,536	-	59,536	-
Computer expenses	416,038	376,111	416,038	376,111
Covid 19 expenses	-	100	-	100
Council/Board expenses	5,225,642	4,476,982	5,225,642	4,476,982
Corporate governance workshops	276,950	255,679	276,950	255,679
Electricity and water	83,924	245,654	83,924	245,654
QMS & Balanced Scorecard expenses	53,226	409,446	53,226	409,446
Insurance	28,193	689,516	28,193	689,516
Legal and professional fees	422,453	778,123	422,453	778,123
Motor vehicle expenses	2,058,170	1,917,090	2,058,170	1,917,090
Foreign Exchange loss	45,897	-	45,897	-
Office expenses	552,054	551,840	552,054	551,840
Preparation of Strategic Plan and AWP and B	300,352	171,284	300,352	171,284
Printing and stationery	507,659	191,830	507,659	191,830
Recruitment expenses	30,816	14,650	30,816	14,650
Rent and rates	389,131	113,329	389,131	113,329
Repairs and maintenance	35,505	25,117	35,505	25,117
Security services	205,256	261,312	205,256	261,312
Staff welfare	1,530,741	1,807,618	1,530,741	1,807,618
Telephone, fax, internet and postage	874,547	891,553	874,547	891,553
Travel and accommodation	868,772	810,153	868,772	810,153
	14,626,659	14,443,396	14,626,659	14,443,396

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