



THE ENGINEERING INSTITUTION OF ZAMBIA



2021 ANNUAL REPORT



Engineering Institution of Zambia



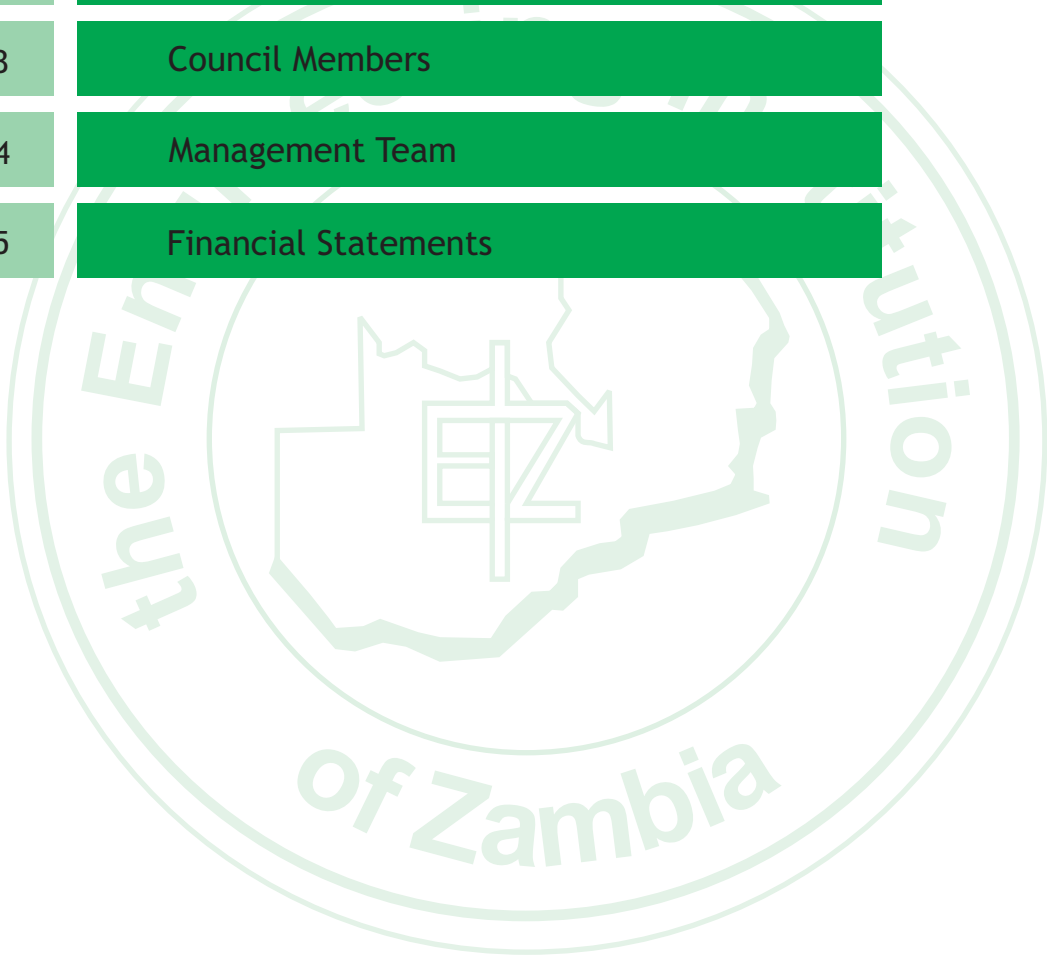
Twitte.com/TheEIZ



Engineering_Institution_of_Zam

Table of Contents

2	Vision, Mission, Values
3	President's Report
22	Registrar's Report
29	Statement on Corporate Governance
33	Council Members
34	Management Team
35	Financial Statements



VISION, MISSION, VALUES

VISION

To be a world class professional Institution that promotes best engineering practice and technological innovations

MISSION STATEMENT

To promote professional development and regulate training, practice and conduct of engineering and applied science so as to enhance national productivity, improve quality of life and protect the environment for the benefit of society

CORE VALUES

- INTEGRITY:** We shall institute internal consistency of actions, methods, measures and we shall observe zero tolerance against corruption. We shall live by our promise.
- TRANSPARENCY:** We shall be open in all our dealings with our members and all other stakeholders
- TEAMWORK:** We shall work with unity of purpose irrespective of our different roles in achieving our Institutional objectives
- INNOVATION:** We shall create an environment that fosters creativity
- ACCOUNTABILITY:** We shall remain totally accountable for all our actions
- PROFESSIONALISM:** We shall follow best practice and exercise due care and diligence in the conduct of our day to day activities



Eng. Abel Ngandu
President

President's Report

Introduction

The President's report highlights the Institutional achievements and activities in the year 2021. The EIZ continued to pursue its mandate as provided for in the 2019-2023 EIZ Strategic Plan. The Institution continued to strengthen its compliance and statutory mandate guided by the EIZ Act No 17 of 2010. Indeed 2021 was the year that Institutions and individuals had to adjust to the new normal and learn to live and work with the challenges posed by the emergence of the Coronavirus disease. The Engineering Institution of Zambia had to adapt to the new way of hosting meetings through various online platforms. Virtual platforms presented a great opportunity for the Institution to carry out its mandate.

The beginning of the year saw the successful launch of the EIZ Quality Management Policy. The launch of the quality management policy was the first step in EIZ's journey of attaining ISO certification. The Institution further went on to develop operating procedures as follows; Document and data control procedure, Control of record procedure, Communications procedure, control of non-conformances procedure, Enforcement procedure and the Procurement & HR Procedure.



Launch of Quality Policy Statement

The Institution went on to host its first virtual Northern Region Annual General Meeting on 13th March 2021 which was officially opened by then Kitwe Mayor Eng. Christopher Kang'ombe and later held the Southern Region Annual General Meeting on 20th March 2021 officiated by then Lusaka Deputy Mayor Christopher Shakafuswa. with a limited number attending physically as guided by the Ministry of Health.



Southern Region Annual General Meeting

Following Covid 19 guidelines, the Institution, managed to hold the, Women in Engineering Conference, National Symposium and the Annual General Meeting at Avani Victoria Falls Resort from 15 to 17 April 2021 with both virtual and physical attendance. The Women in Engineering Conference was held under the theme “Women in Engineering - Rising to cope with uncertainty in times of Covid - 19” and was officiated by the President of the Federation of African Engineering Organisations, Eng. Carlien Bou Chedid who called on the women in engineering to overcome prejudices and attract more females into the profession. The Symposium was held under the theme “*Transformative resilience in times of disruption: An engineering perspective*” officially opened by the Republican Vice President Her honor Mrs. Inonge Mutukwa Wina who called on the engineering professionals to be vision carriers and let the works unlock the bottlenecks that hinder society and Africa from attaining prosperity, by turning impossibilities into possibilities.

President's Report



Official Opening of the Symposium

Advising Government

The Institution continued to play its key function of advising Government on matters related to engineering and in playing this role; the Institution through the engineering Council representatives submitted a number of memorandum on various issues of National development.

The Institution received a total of eight requests from Government and government institutions as mandated by the EIZ Act No. 17 of 2010 to make comments and recommendations on various issues of National interest as follows;

1. The Institution made submission to the 8th National Development Plan in response to a call for proposal which was published in the media by the Ministry of National Planning in June 2021.
2. In a bid to enhance the overall performance of the road sector and preserve the road infrastructure the Road Development Agency (RDA) On 2nd November 2021 requested the Institution to comment on the review of the Public Roads Act No. 12 of 2002.
3. The Institution further received a request from the Ministry of Infrastructure, Housing and Urban Development to advise government on the way forward with regards to the cost of roads in Zambia which is an ongoing concern for government. A Committee of Experts was constituted and the report was expected to be concluded by 15th December 2021.
4. The Committee of Parliament on expanded planning and budget implementation requested the Institution to make comments on the 2022 budget which was presented to Parliament by Hon. Minister of Finance, Dr. Situmbeko Musokotwane on 30th October 2021. The EIZ prepared comments on the

President's Report

following areas of the budget: Economic Transformation and Job creation and Human and Social Development. The Institution appeared before the committee and made submissions on 5th November 2021.

5. The Institution received a request from the Clerk of the National Assembly to submit a written memorandum regarding Water Resource Management in Zambia and make recommendations that could assist the Committee on Energy, Water Development and Tourism to effectively study its topical issue.
6. The Institution further received a request from the clerk of the National Assembly to submit a detailed memorandum on the implementation of the Road Tolling Programme in Zambia. The memorandum and recommendations were prepared to respond to the request made and submitted on 29th November 2021.
7. The Institution received another request from the National Assembly Committee of Parliament on Local Government Housing and Chiefs Affairs to submit a memorandum on the maintenance of township roads in Zambia and appreciate the adequacy of the Legal and Policy Framework that govern the maintenance of township roads and associated road infrastructure in Zambia.

Courtesy Calls

With the coming of the new dawn government and the appointment of new Ministers in various government Ministries, the Institution took time to pay courtesy calls on the newly appointed Ministers starting with Minister of Infrastructure, Housing and Urban Development Hon. Eng. Charles Milupi and Energy Minister Hon. Eng. Peter Kapala on 27th September 2021.



Courtesy call on Minister of Infrastructure, Housing and Urban Development Hon. Eng. Charles Milupi

Council representatives also paid courtesy calls on Minister of Small and Medium Enterprise Hon. Eng. Elias Mubanga, Minister of Water Development and Sanitation Hon, Mike Mposha, Minister of Green Economy Hon. Eng. Collins Nzovu and Minister of Commerce, Trade and Industry Hon. Teg.

President's Report

Chipoka Mulenga.

Council representatives also held a meeting with the then Deputy Secretary to Cabinet - Administration Mr. Patrick Kangwa at Cabinet Office to see how the Institution can work with Cabinet to review the EIZ Act, registration of engineering professionals working in government and financial support during investigations of national interest.

At the Invitation of the then Vice President of the Republic of Zambia Her Honour, Mrs. Inonge Mutukwa Wina the Zambia Women in Engineering Section attended a luncheon hosted by Mrs. Wina as a way of appreciating the services that women in engineering contribute to the development of Zambia.



ZWES luncheon hosted by the Vice President Mrs. Inonge Wina

The Secretariat continued to pay courtesy calls to corporate members to discuss the importance of compliance, collaboration and other issues of mutual importance. Some of these calls are:

- 1.1.1 *Zambia National Broadcasting Corporation (ZNBC)*
- 1.1.2 *First Quantum Minerals (FQM)*
- 1.1.3 *Lusaka Water and Sanitation Company (LWSC)*
- 1.1.4 *Zambia Institute of Chartered Accountants (ZICA)*
- 1.1.5 *Institute of Directors (IOD)*
- 1.1.6 *Chartered Institute of Arbitration Zambia*
- 1.1.7 *Zambia Business Council*
- 1.1.8 *Luapula Water and Energy Week*

The Zambia Business Council (ZBC) are responsible for the production of a business Newspaper and have been in existence for over 5 years. The discussions were centred on collaborations including sharing of professional information both in news broadcasting in the paper and electronic media. The ZBC proposed to EIZ to consider including in their news a section on engineering, science and technology. The parties agreed to further discussions and possibly sign an MoU of collaboration.



Meeting with ZNBC Management

Secretariat participated in the 2021 Luapula Water and Energy week in Samfya. The program provided an opportunity to know and interact with engineering companies and organisations that were planning or have already invested in Luapula Province. EIZ made a presentation on the requirements of the EIZ Act.

12.01.2021	Ministry of Energy	Invitation to the consultative Review and Validation of the National Wood Study
12.01.2021	Brand Power	2021 I AM EQUAL International Women Forum Conference
22.01.2021	Ministry of Housing & Infrastructure	Invitation to a virtual pre-project Technical working group
27.01.2021	Ministry of National Development Planning	Invitation to a stakeholders Infrastructure and Transport Sector virtual scoring meeting for the pilot programme for 850 Climate Resilience (PPCR) Zambia Core Indicators
29.01.2021	Sky Media	Invitation to participate in a two day training for Public Relations Officers on CRISI Management and Stakeholder Mapping
25.02.2021	Ministry of Commerce	Invitation to participate in a virtual monitoring & evaluation capacity building training workshop 9 - 11 March 2021 - CII 24 th International Engineering & Technology Virtual Fair
09.03.2021	ZICTA	Invitation to the closing ceremony of the 2020 ZICTA ICT Innovation Programme

President's Report

Membership and Continuous Professional Development

In the period under review, the Institution conducted sittings for the Constitution Review Committee in all branches in the Northern and Southern Region to get submissions on the amendment of the Constitution. Members made submission and the Constitution was amended during the Extra - Ordinary Meeting held on 24th July, 2021.

The Institution continued to have Continuous Professional Development programmes for its members such as forums. Forums were held in Northern and Southern Region in the following towns; Lusaka, Chipata, Maamba, Choma, Livingstone, Luanshya, Ndola, and Kalumbila.

The Institution took part in the celebration of the World Engineering Week which was held under the theme "Engineering for a healthy planet - Celebrating the UNESCO Engineering Report". During the week, the Institution held a webinar on Water reticulation and a Hackathon competition between UNZA and CBU, which was won by Fourth year UNZA Engineering Student Tumbikani Chiwala who was awarded in Livingstone during the National Symposium by the President of the Federation of African Engineering Organizations Eng. Carlien Bou Chedid.



Hackathon competition winner Tumbikani Chiwala being awarded by the President of the Federation of African Engineering Organizations Eng. Carlien Bou Chedid

President's Report

With the introduction of the new way of hosting meetings, the Institution held a number of Webinars for its members on various topical issues of engineering.

A webinar on women in leadership: achieving an equal future in the Covid - 19 world was held on 8th March 2021 during the International Women's day organised by the Zambia Women in Engineering Section (ZWES) with Eng. Himba Cheelo and, Ms. Namucana Musiwa as presenters.

During the same week, the EIZ Secretariat donated various items at the University Teaching Hospital Children's Malnutrition ward and Kitwe Teaching Hospital.



EIZ Secretariat making a donation at the University Teaching Hospital Children's Malnutrition Ward during women's day.

- A webinar on transformational leadership as a precursor to National Economic Transformation - The Singapore story - lessons for Africa was held on 22nd June 2021 presented by EIZ Past President Eng. Bernard Chiwala.
- The Institution further held a webinar on entrepreneurship for engineers on 1st July, 2021 presented by the radical entrepreneur Mr. Dumisani Ncube and EIZ President.
- Further, a webinar on CV Writing Skills and Leadership was organised on 30th July 2021 presented by Program Management in Development Expert Ms. Priscilla E. Banda.
- The Institution held a webinar on the role of engineers in occupational health in work places on 10th August 2021 presented by Occupational Health and Safety Specialist Dr. Evans Tulisha.
- A webinar on the African Mall App was held on 19th August 2021 presented by founder and CEO of AICEL Mr. Chanshi Chanda.
- As a way of encourage member participation in branches, the Institution launched Chirundu branch on

President's Report

17th September 2021 where the Vice President Membership and Continuous Professional Development Eng. Monica Milupi represented by Southern Region Executive Chairperson called on the interim executive to help mobilise members in the area and help promote the Institution.



Chirundu Branch interim Executive

The Institution held a webinar on the mandate and roles of the Craftsperson's and Technicians Section 24 September, 2021 presented by Tec. Kennedy Chipoma.

The Institution took part in the celebration of the 7th Africa Engineering Week which was held from 4th - 8th October 2021. The Institution celebrated the week through career talks held in branches around the country, webinars and art competition for School children.



Participants of the Art Competition

President's Report

A webinar on the benefits of volunteering in IEEE, Sections and EIZ was held on 6th October, 2021 presented by Eng. Ariel Phiri and Eng. Mpaisha Phiri.

The Institution held an Extra - Ordinary Annual General Meeting on 27th November 2021 to vote for the members of the Ethics and Integrity Committee. The Committee shall investigate cases of breach of the ethics and code of conduct and determine whether a matter can be disposed of by the ethics and integrity committee or can be referred to the council for onward submission to the disciplinary committee, in the case of engineering professional, an engineering organisation or engineering unit; and deal with petitions relating to a nomination or election in the institution.



Part of the Ethics and Integrity Committee

In its bid to improve on service delivery to its members, the Institution launched the Membership Survey.

The Institution held a Webinar on 21st December 2021 on the topic, Actual cost of Infrastructure project with the following speakers on the panel of discussants Mr. Kunda Chansa President of the Institute Quantity Surveyors, Eng. Eugene Haazele, EIZ Immediate Past President, Eng. Besa Mfula CEO and Founder of SAFRICA Zambia Ltd and Eng. Charles Musonda MD Waxman Enterprises.

Breakfast Meetings

The Institution held a breakfast meeting for heads of HR in engineering organisations in collaboration with the Zambia Institute of Human Recourse Management to see how the two Institution can work together through HR to register engineering professional in companies. The meeting was held on 26 November 2021 at Sarova Hotel in Lusaka and was attended by forty participants from different companies.

President's Report



Participants during the Breakfast Meeting

Networking Activities

The Institution through the Southern Region Committee held a fundraising marathon and Aerobics Mania on 13th November 2021 and was officiated by the Vice President Policy, Public Relations and National Development Eng. Charity Chola. The marathon was well attended with majority participation from members of the public.



EIZ Marathon

Scholarship Award

During the year under review, the Institution through the Scholarship Committee awarded ten scholarships as follows;

- i) three members of EIZ were awarded undergraduate scholarship to study at University of Zambia, Copperbelt University, and Mulungushi University while
- ii) three members were awarded to study diploma courses at Evelyn Hone College and Northern Technical College.
- iii) Four scholarships were awarded to School leavers who were accepted to study at the University of Zambia, Copperbelt University, and Mulungushi University.

The scholarship beneficiaries are;

Application Number	Name	Category	Gender	School	Course
60	Hamachila Tilimboyi	Undergraduate	Male	UNZA	Civil Engineering
180	Nkamba Clement.	Undergraduate	Male	CBU	Electromechanical
115	Dalitso Mtonga	Undergraduate	Male	MU	Civil Engineering
40	Mweene Steve	Technologist	Male	Evelyn Hone	Biomedical Engineering
79	Makasa Alick	Technologist	Male	NORTEC	Mechanical Engineering
35	Mate Kennedy	Technologist	Male	NORTEC	Heavy Equipment
64	Mukoboto Mulipa	School leaver	Male	CBU	Chemical Engineering
84	John M. Palanga	School leaver	Male	MU	Electrical Engineering
7	Zulu Joy	School leaver	Female	UNZA	Civil Engineering
179	Shamalavu B. Mwila	School leaver	Female	UNZA	Civil Engineering

Membership Growth

In the year 2021, the Institution's membership increased from 59,641 on 31st December 2020 to 65,415 on 31st December 2021. Making a total of 5,774 new members recruited in 2021 compared to the strategic objective of recruiting 5,000 new members per year, therefore achieving a 115% increase.

Membership Comparative Growth by Category

In the year 2021, the Institution registered a total of 5,774 member broken down as; 3075 Craftspersons, 937 Technologists, 527 Technicians and 1110 Engineers.

The drop in the growth rate can be attributed to the reduced number of compliance inspections, mobile registrations and the reduction in walk-in clients due to the impact of the COVID19 pandemic.

Compliance and Enforcement

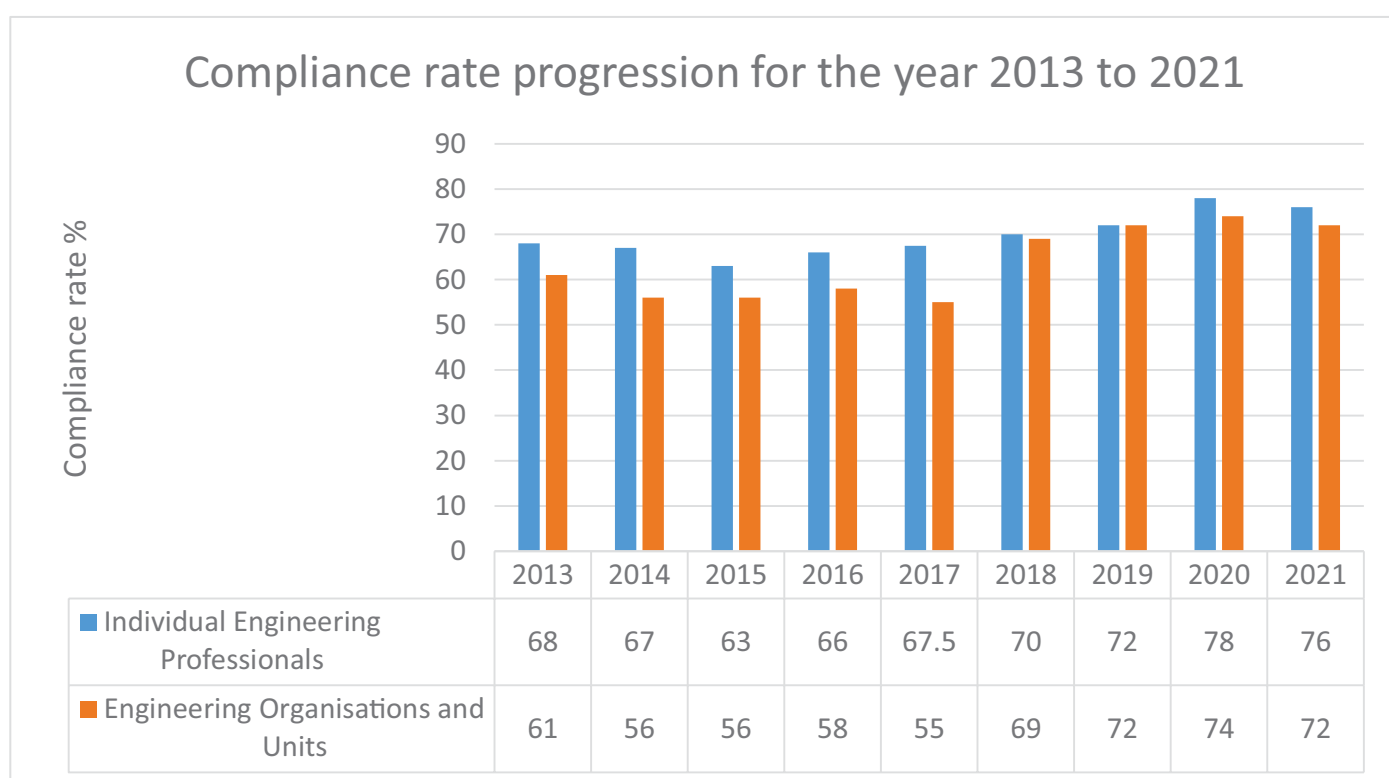
As part of its mandate, the Institution has committed to ensure that all engineering organisations,

President's Report

engineering units and individuals practicing engineering in the country are registered and licensed with the Institution through the Engineering Registration Board as per provision of the EIZ Act No. 17 of 2010.

To ensure compliance by all engineering organisations, engineering units and engineering professionals, the Institution grew their inspectorate units in each region and engaged the Legal Counsel in the Enforcement and Compliance drive to ensure that all comply with the provisions of the EIZ Act No. 17 of 2010.

For the year 2021, the Total Register on the database at the close of the year under review was 20 164 individuals (registered professionals) and 4,736 registered engineering organizations and engineering units. The compliance rate progression from the year 2013 to the year 2021 is shown in the graph below:



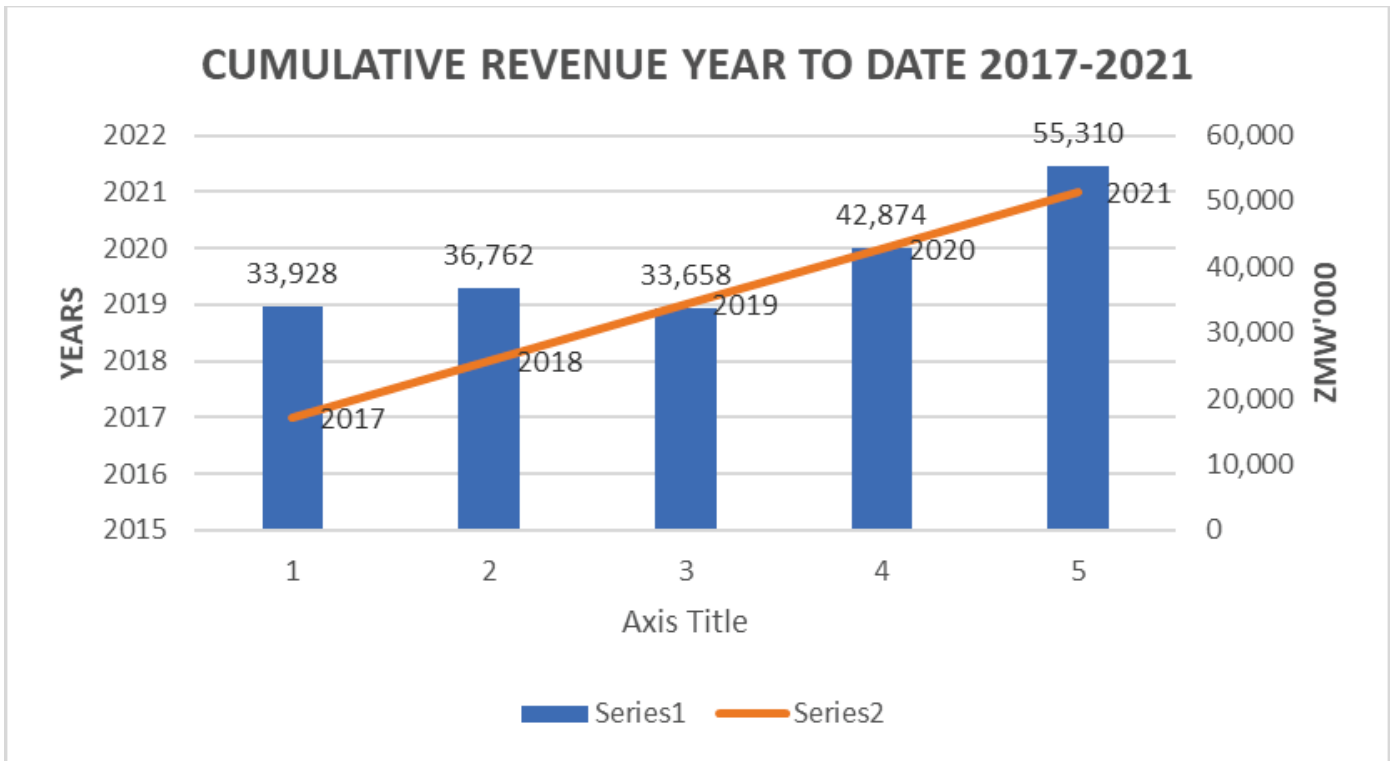
Financials

During the period under review, the Institution recorded a surplus of income over expenditure of ZMW 13.46 million for the year ended 31 December 2021, representing a decrease of about 7% from a surplus of ZMW 14.52 million recorded in 2020. Income received in 2021 increased from ZMW 41.15 million in 2020 to ZMW 54.57 million representing an increase of approximately 32.61%.

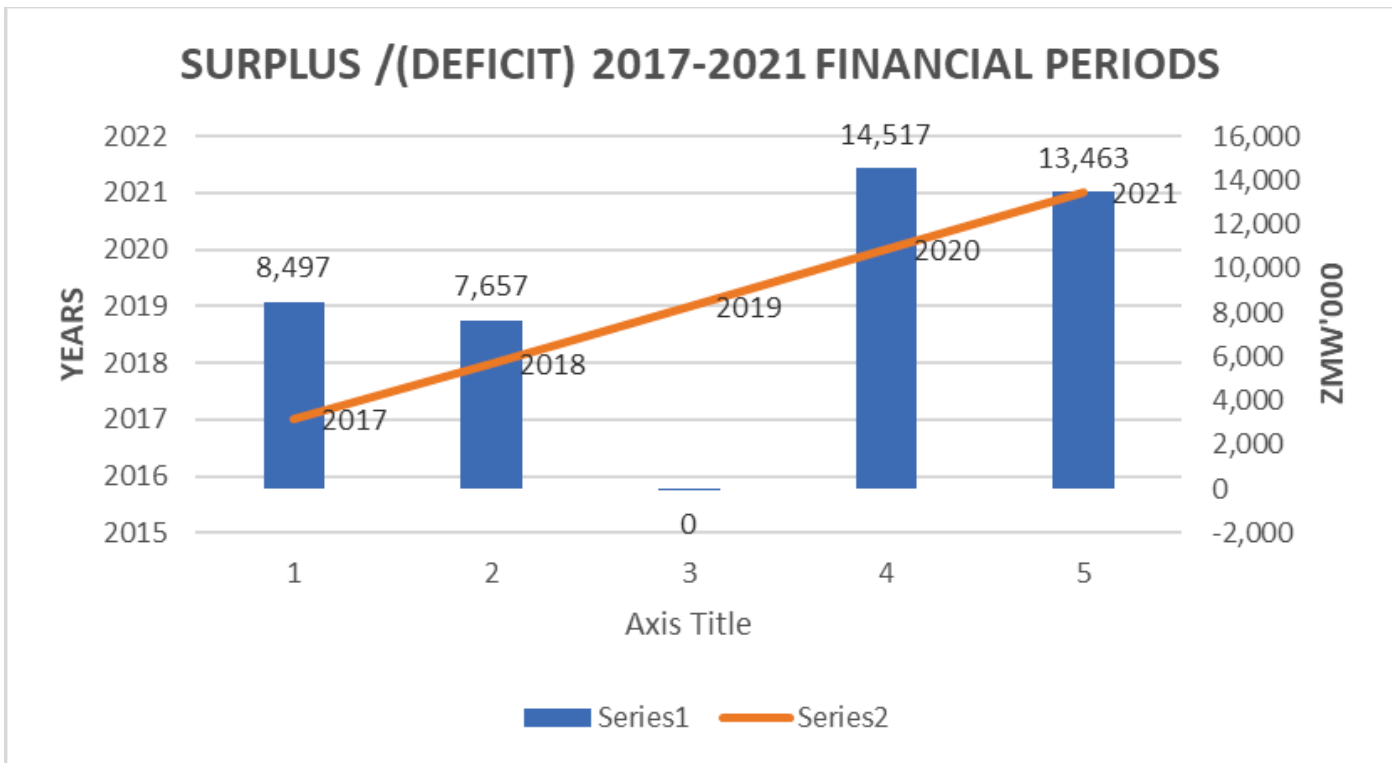
The total expenditure for the year was ZMW 42 million compared to ZMW 28.32 million reported in 2020. The cost structure was greatly affected by the increase in the number of operational activities that the Institution undertook during the year under review. Please note that most operational activities were shelved by the Institution in 2021 due to the Covid-19 pandemic prevalence being on its peak.

The graph below shows a trend in the revenue earned by the Institution in the last five years (2017 -2021).

President's Report



The graph below shows a trend in surplus earned by the Institution in the last five years (2017 -2021).



President's Report

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), the Institution launched the new Database Management System for members to apply online.

Public Relations and Communications

In its quest to continue, informing the public on the role EIZ plays in National Development, the Institution through the President and the Vice President Policy Public Relations and National Development successfully appeared on different Television and Radio programs.

EIZ President Eng. Abel Ng'andu featured on the Red Hot Breakfast Show on Hot FM radio to discuss the role of engineering in National Development.

Vice President Policy, Public Relations and National Development Eng. Charity Chola featured on the Northern News on ZNBC TV 1 Live news to discuss the role engineering Professionals are playing on the Northern region development.

The Institution through the EIZ President Eng. Abel Ng'andu held a press briefing on 20 August 2021 to congratulate the newly elected president and affirm the Institution's position on working with the government in order to help uplift the standards of engineering in the country.



Press Briefing at the EIZ Offices

President's Report

These appearances created awareness for the Institution and created an opportunity for the members of the Institution and the public to interact with Institution.

Synergies and Networks

During the period under review, the Institution signed a Memorandum of Understanding with the Zambia Air Services Training Institute (ZASTI) aimed at improving student compliance in training Institutions.

The Institution through the Vice President Membership and Continuous Professional Development Eng. Monica Milupi met with fourteen principals from various colleges in Northern region. The meeting was held for the purpose of discussing MOU signing, facilitation of technical tours, industrial attachments and increase general compliance amongst lecturers and technical staff.



Meeting with Principals

Council representatives further had meetings with Kansanshi Mine Management and Kalumbila Mine Management to discuss ways in which EIZ can collaborate with the Mines in creating opportunities for local companies and engineering professionals, Skills and Mentorship programs for students

President's Report



EIZ visit at Kalumbila Mine

The Institution paid a courtesy call on North Western Water and Sewerage Company Chief Executive Officer Eng. Happy Musumali to set up a new EIZ Solwezi office based at NWWSC.

The Institution was visited by the Zambia Development Agency (ZDA) Director General Mr. Mukula Makasa accompanied by Technical Director Mr. Albert Halwampa on a possibility to sign an MOU between the two Institutions.

The Institution entered into an agreement with the Lusaka Business Technical College (LBTC) to offer training in electrical wiring to EIZ members in Collaboration with TEVETA. The agreement has an overall objective of providing a specific short course in electrical wiring in accordance with the Zambia code of practice wiring.



EIZ HQ

President's Report

The Institution has made tremendous progress at the EIZ Head office under construction with the ground and first floors on the Southern Wing completed and housing EIZ Secretariat which was moved from the Longacres office on 31st May 2021 and recently moved the ridgeway office on 5th January 2022.

The Institution is currently working on paving the entrance and the drive way to the EIZ HQ Building.

Council would like to thank the Members for their continued support in the year 2021 and look forward to working with you all in 2022.



Eng. Linus Chanda
Registrar & CEO

Registrar's Report

1. INTRODUCTION

The Engineering Institution of Zambia (EIZ) Secretariat continued to pursue the mandate enshrined in the EIZ Act No 17 of 2010 and the 2018 to 1023 Strategic Plan. The Institution continued to carry out its mandate in spite of the resurgence of the coronavirus pandemic. The pandemic naturally affected much of the EIZ's member led activities. Secretariat ensured that objectives were met.

The institution is currently in its fourth year of the strategic plan and has thus far achieved 78% of its strategic objectives. The following are the Institutions' strategic objectives

Objective	Description
1.	To grow non-traditional revenue sources to 10% of annual revenue
2.	To develop and implement a mentorship and skills development program for all membership categories of the Institution starting in 2019
3.	To rebrand EIZ as a world-class professional body by 2023.
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).
5.	To attain a professional membership growth of 25,000 and achieve 100% registration of engineering students by 2023.
6.	To attain a 90% compliance rate on engineering practice annually by 2023
7.	To effectively manage financial, human resource and logistics in order to improve the organizational performance
8.	To promote the general Advancement of Science, engineering, technology and allied disciplines
9.	To provide professional advice to government and other stakeholders on engineering matters through research and development.

The detailed progress on each of the Strategic objectives will be discussed in detail.

1. To attain 90% Compliance rate on engineering practice annually by 2023

The institution has continued to raise funds from non-traditional sources such as the sale of merchandise from the EIZ store, offering paid for CPD programmes and Business conferences and advertisements on the EIZ online platforms.

The variety of EIZ merchandise has grown in the past year to include scarfs, water bottles and has managed to raise K429,550 thus far. Further the institution has also participated in fundraising activities in an attempt to raise non-traditional funds.

In regard to the EIZ HQ, the building was partially completed towards the end of May 2022. The Secretariat moved in to occupy the building on 1st June, 2022. This milestone achievement was as a result of ensuring that resources generated were adequately channelled towards the completion of phase one works of the building.

The EIZ HQ currently stands at 97% complete. Phase two works are scheduled to commence in the third quarter of 2022 to complete the remainder of works in the eastern wing.

The EIZ HQ currently stands at 97% complete. Phase two works are scheduled to commence in the third quarter of 2022 to complete the remainder of works in the eastern wing.

With the successful move into the New Headquarters, as a major shareholder, the institution looks forward to receiving dividends from EIZ Properties PLC.

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

The Institution successfully launched (2019) and commenced the EIZ Mentorship flagship program in the past year.

Further, the Institution has also facilitated for the following both free and paid for skills development workshops and courses:

1. IEEE free online courses
2. Corporate Governance workshops
3. Project Management for Executives Innolead
4. EIZ skills training guide for Electrical Practitioners

The EIZ Mentorship Program Policy was launched in June 2019. Due to a number of challenges and the subsequent emergence of the coronavirus pandemic, not much progress was made. However, in the fall of 2021, Management ensured that measures were put in place to enroll the first cohort of proteges aimed to benefit from the program. A total of twenty-five (25) Mentors were carefully selected as provided for in the Policy document. Management further recruited thirty-five (35) graduate engineering professionals to the program. All classes of membership have expressed interest in taking part in the program. The launch of the mentors and mentees was conducted during the Regional Annual General Meetings.

These programs facilitated for skills growth for general membership. Due to COVID19, some of these programs were successfully conducted online.

Registrar's Report

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

In order to rebrand the EIZ as a world class professional body, the secretariat through the engagement of several consultants benchmarked and developed an ICT strategy which is currently being implemented.

Further, the institution established a Customer Service Charter that is being used to improve service delivery to world class standards. The institution conducted a Membership Satisfaction Survey in order to improve our service delivery to members to assess membership satisfaction levels in 2021.

Furthermore, the movement of Head office and Southern Region secretarial staff to the State of the Art Head office building along Danny Pule Road.

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)

The Institution contracted CBU-IBIC to develop The Data Management Information System (DMIS). System was implemented to efficiently incorporates all operating units of the Secretariat. This system has given the members ownership and access to their EIZ accounts remotely.

However, being a new system, members have experienced a few challenges with registering and renewing their membership. The secretariat team is committed to working to resolve challenges being faced by the general membership.

The new system is able to facilitate the following tasks:

- Online member application
- Creation of individual and corporate accounts to enable members to manage their accounts
- Payment portals that enable members to pay subscriptions and dues.
- Provides an intelligent and cloud-based system for the storage of data.
- Includes an events and information portal that provides a well-rounded experience for our members

The Institution began the implementation of the Quality Management System (ISO 9001 certification) and is currently preparing for the first Audit. The focus in the upcoming year will be training of members of staff on Quality Management processes.

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

The institution has performed well in 2021 in terms of membership growth. The following are the membership statistics:

- Registered 5,776 new members on the database representing a performance of 115% achieved against the strategic target of 5,000.
- Total number of New registered students are 3002
- Renewed a total number of 23,578 members in the year 2021.

Further, the following sections and branches were launched to increase the National footprint:

1. Launched the Environmental Engineering Section
2. Launched the Energy Auditors Section

3. Launched the Mining & Geology Engineering Section.
4. Launched the UNZA student Chapter on 5th November, 2021.
5. Launched the Chirundu Branch

The Institution has made headway in terms of negotiating an MoU with Higher Education Authority in order to conclude on a census and registration on ALL engineering students by 2023. In order to encourage more student participation in

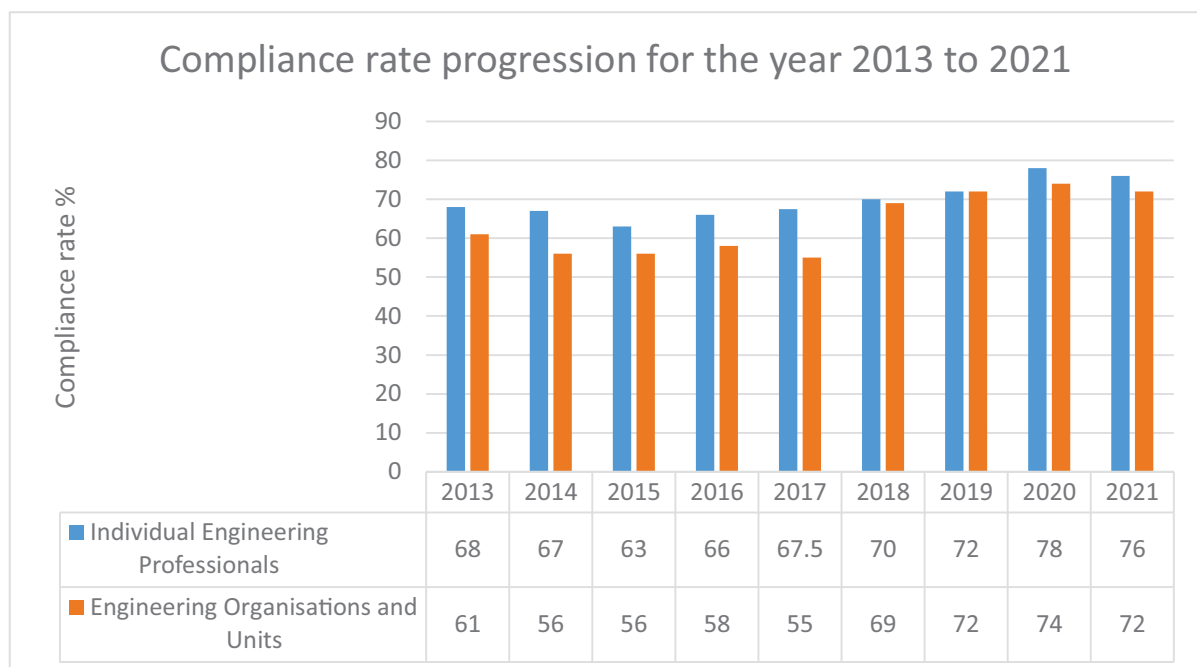
6. To attain 90% compliance rate on engineering practice annually by 2023.

During the period under review the Institution conducted a total of 2550 inspections Nationwide, 1360 in the Southern region and 1190 in the Northern region.

This increase in compliance inspections from 2020 resulted in the following results:

- Registration of a total of 2172 individual applicants and 615 units and organisations applicants in 2021.
- A 13.6% and an 18.4% increase for registered professionals and registered organisations and units respectively.
- Achieved a compliance rate of 76% for Individual Engineering Professionals and 73% for Engineering Organisations and Units compared to 78% and 74% in 2020 respectively.

Figure 1 below shows the comparative compliance rates from the year 2013-2021.



In order to further improve compliance, secretariat facilitated the following:

- Successfully held a collaborative meeting with the Department of Immigration and Zambia Institute of Human Resources in order to re-align the registration of foreign professionals.
- Successfully printed the 2021 Gazette of all registered professionals
- Successfully printed and published a list of non-compliant organisations and units that improved compliance to the EIZ Act of 2010.

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 do the following in the year 2021:

- Revised the conditions of service for all its' secretarial employees and successfully adopted the revised labour laws of Zambia completely.
- As one of the member benefits, the institution paid out the life insurance benefits to all qualifying members of the institution.
- Increased the Institutional operational efficiency by growing the inspectorate units and also by the acquiring more vehicles in the inspectorate unit. This enabled the team to reach more members nationwide.

8. To promote the general Advancement of Science, engineering, technology and allied disciplines

In the year 2021, the Institution awarded 10 (ten) scholarships to deserving student members of EIZ. These were broken down as follows: 7 to the University of Zambia, Copperbelt University and Mulungushi University and 3 to local colleges and Trade schools. The following are the list of the beneficiaries:

Application NO	Name	Category	Gender	School	Course
60	Hamachila Tilimboyi	Undergraduate	Male	UNZA	Civil Engineering
180	Nkamba Clement.	Undergraduate	Male	CBU	Electromechanical
115	Dalitso Mtonga	Undergraduate	Male	MU	Civil Engineering
40	Mweene Steve	Technologist	Male	Evelyn Hone	Biomedical Engineering
79	Makasa Alick	Technologist	Male	NORTEC	Mechanical Engineering
35	Mate Kennedy	Technologist	Male	NORTEC	Heavy Equipment
64	Mukoboto Mulipa	School leaver	Male	CBU	Chemical Engineering
84	John M.Palanga	School leaver	Male	MU	Electrical Engineering
7	Zulu Joy	School leaver	Female	UNZA	Civil Engineering
179	Shamalavu B. Mwila	School leaver	Female	UNZA	Civil Engineering

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

In the year 2021, the institution constituted the Constitutional Review committee that successfully collected input from our stakeholders that led to a review and amendment of the EIZ 2019 Constitution in July of 2021.

The institution also constituted a Charge-Out-Rates committee that was mandated to look into the matters of Minimum charge out rates and Guidelines for Engineering professionals, Engineering Organisation and Engineering units to address remunerations and rates for Engineering professions and services. This committee successfully submitted a report of their findings in 2021.

Further, throughout the year, the Government of the Republic of Zambia made several requests from the Institution, to which the Institution responded accordingly. The requests were made with regard to the following items:

- I. Public Procurement Regulation 2021
- II. Engineering Institution of Zambia Bill NAB No26 of 2021
- III. Urban and Regional Planners Bill
- IV. Rural Electrification Bill No 20, 2021
- V. Petroleum Exploration and Production Bill
- VI. Higher Education Authority Bill 2021
- VII. Mining Occupation Standards ZAQA
- VIII. Infrastructure Policy and Master Plan
- IX. 2022 National Budget - EIZ proposals
- X. Submissions to the 8th National Development Plan
- XI. Comments on the Review of the Public Roads Act
- XII. Submission on the Cost of Roads and Public Infrastructure
- XIII. Committee of parliament on Expanded Planning and Budget implementation
- XIV. Committee of Parliament on Energy, Water development and Tourism
- XV. Committee of Parliament on Transport, Works and supply
- XVI. Committee of Parliament on Local Government, Housing and Chiefs Affairs
- XVII. Committee of the Procurement standards of the Public Private Partnerships in Zambia (PPP)
- XVIII. Kazungula Bridge Authority Bill
- XIX. Proposal for the Office of the Engineer General

.....
Eng. David Kamungu
 Acting 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 EIZ Constitution provide governance guidelines to the Institution. It is with the forgoing that EIZ Council recognizes the importance of observing high standards of Corporate Governance at all times. During the period under review, the 60th Engineering Council adhered to the provisions and ethos of good governance including the Council Charter.
- 1.2 The Institution is thus committed to complying with legislation, regulations, international financial reporting standards, 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. During the period under review, the 60th Council was elected on 12th September, 2021 at which Eng. Abel Ngandu emerged 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 Act are;
 - 1.6.1 Engineering Registration Board
 - 1.6.2 Engineering Technical Committee
 - 1.6.3 Disciplinary Committee
- 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 and Subcommittee meetings held in 2021

2.1 Full Council Meeting of the 59th Engineering Council

Period	Q1	Q2	Q3	Q4	TOTAL
Date of meeting	22.03.20	18.04.20	18.09.20	10.10.20	2/4
Eng. Eugene Haazele	✓	✓	❖	❖	2/4
Eng. George Sitali	✓	✓	❖	❖	2/4
Eng. Charity K Chola	✓	✓	❖	❖	2/4
Eng. Wesley Kaluba	✓	✓	❖	❖	2/4
Eng. William K Mulusa	✓	✓	❖	❖	2/4
Eng. Peter Kapala	✓	✓	❖	❖	2/4
Eng. Dr. Charles Shindaile	✓	✓	❖	❖	2/4
Eng. Prof. John Siame	✓	✓	❖	❖	2/4
Eng. Shadrack Chanda	✓	✓	❖	❖	2/4
Tec. Noah Kasanda	✓	✓	❖	❖	2/4
Cra. Cosmas Chuula	✓	✓	❖	❖	2/4
Eng. Desdarius Chapewa	✓	AP	❖	❖	2/4
Eng. Monica Milupi	✓	✓	❖	❖	2/4
Mr. William Manela	✓	✓	✓	❖	2/4
Ms. Busiku Sizyoongo	✓	✓	✓	❖	2/4

2.2 Full Council Meeting of the 60th Engineering Council

Period	Q1	Q2	Q3	Q4	TOTAL
Date of meeting	08/01/2021	08/04/2021	03/07/2021	17/12/2021	4/4
Eng. Abel Ngandu	✓	✓	✓	✓	4/4
Eng. Charity K Chola	✓	✓	✓	✓	4/4
Eng. Wesley Kaluba	✓	✓	✓	✓	4/4
Eng. Monica Milupi	✓	✓	✓	✓	4/4
Eng. Eugene Haazele	✓	✓	✓	✓	4/4
Eng. Kabaso Musebe	✓	✓	✓	✓	4/4
Eng. Lusungu Nyirenda	✓	✓	✓	✓	4/4
Eng. Prof. John Siame	✓	✓	✓	✓	4/4
Eng. Tapererwa N.Kabwe	✓	✓	✓	✓	4/4
Teg. Gideon Chilongu	✓	✓	✓	✓	4/4
Tec. Jane Manaseh	✓	✓	✓	✓	4/4
Cra. Kafusha Changala	✓	✓	✓	✓	4/4
Eng. Edith Munungwe	✓	✓	✓	✓	4/4
Eng. Kalumbu Nsefu	✓	✓	✓	✓	4/4
Ms Mahone Gomezzyo	✓	✓	✓	✓	4/4
Mr Ishmael Mutale	✓	✓	✓	✓	4/4
Eng. Linus Chanda	✓	✓	✓	✓	4/4

Statement on Corporate Governance

2.3 Engineering Registration Board

Period	Q1	Q2	Q3	Q4	Total
Meeting Date	28/03/21	02/06/21	09/09/21	08/12/21	4
Eng. Stephen K Musebe	✓	✓	✓	✓	4/4
Eng. Kelvin Chitumbo	✓	✓	AP	✓	3/4
Eng. Yoram Sinyangwe	✓	✓	✓	✓	4/4
Eng. Francis Mwale	✓	✓	✓	✓	4/4
Eng. Moses Nkhata	AB	AB	AB	AB	0/4
Teg. Chisanga Misengo	✓	✓	✓	✓	4/4
Tec. Noah Kasanda	✓	✓	✓	✓	4/4
Cra. Pride Lombe	✓	✓	✓	✓	4/4

2.4 Policy, Public Relations & National Development

Period	Q1	Q2	Q3	Q4	Total
Meeting Date	09/02/21	0/15/21 Special	26/05/21	03/09/21	07/12/21
Eng. Charity K Chola	✓	✓	✓	✓	✓
Eng. Alex Mbumba	✓	AP	AP		AP
Eng. Edith Munungwe	✓	✓	✓	✓	✓
Eng. Bridget Sianthika	✓	✓	✓	✓	✓
Eng. Kennedy Musonda	✓	✓	✓	✓	✓
Teg. Elizabeth K. Namakando	✓	✓	✓	✓	✓
Teg. Gideon Chilongu	✓	✓	✓	✓	✓
Cra. Elizabeth Phiri	✓	✓	✓	✓	✓
Eng. Prof. Levy Siaminwe	AP	AP	➤	➤	➤
Eng. Prof. John Siame	❖	❖	✓	✓	✓
Eng. Himba Cheelo	AP	AP		AP	AP

2.5 Finance and Administration

Period	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4	Q4	Total Attendance
Meeting Date	15/03/21	01/04/21	07/05/21	28/05/21	10/08/21	1/09/21	8/09/21	18/11/21	24/11/21	
Eng. Wesley Kaluba	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Eng. Michael Nsefu	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Eng. Mulenga Kapembwa	AP	AP	AP	✓	✓	✓	✓	✓	✓	6/9
Mr. Chabota Simuusa - ZICA	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Eng. Nathan Kazembe	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Tech. Jane Manase	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9
Eng. Diana Kangwa - Muya	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9

Statement on Corporate Governance

2.6 Membership & Continuous Professional Development Committee

Period	Q1	Q2	Q3	Q4	Total
Meeting Date	04/02/21	20/05/2021	02/09/21	29/11/21	4
Eng. Monica Milupi	✓	✓	✓	✓	4/4
Eng. Prof. John Siame	✓	✓	✓	✓	4/4
Eng. Lusungu Nyirenda	✓	✓	✓	✓	4/4
Eng. Sydney Mulenga	✓	✓	C	C	2/4
Eng. Taperewa Namwinga Kabwe	✓	✓	✓	✓	4/4
Eng. Dr Joel Kabika	✓	AP	AP	AP	1/4
Eng. Ennie Muchelemba	✓	✓	✓	✓	4/4
Eng. Mujina Mundonu	✓	✓	✓	✓	4/4
Teg. Shadrack Chanda	✓	✓	✓	✓	4/4
Cra. Evans Kafusha	✓	✓	✓	✓	4/4
Ms. Namuunza B. Sizyoongo	✓	✓	✓	✓	4/4
Mr. Ishmael Mutale	❖	✓	✓	✓	3/4
Ms. Gomezzy Mhone	❖	✓	✓	✓	3/4
Eng. David Kamungu	✓	✓	✓	✓	3/4

2.7 Disciplinary Committee

Period	Q1	Q2	Q3	Q4	TOTAL
Date of meeting	17/01/2021	28/03/2021	19/11/2021	26/11/2021	4
Mr. Musa Mwenya	✓	✓	✓	✓	4/4
Mrs. Kasumpa Kabalata, SC	✓	✓	✓	✓	4/4
Eng. Abel Ng'andu	✓	✓	✓	✓	4/4
Eng. David Chakonta	✓	✓	AP	AP	2/4
Eng. Levi Zulu	✓	✓	✓	✓	4/4
Eng. Elson Banda	✓	✓	✓	✓	4/4
Eng. Alinani Musisya	✓	✓	✓	✓	4/4
Eng. Linus Chanda	✓	✓	✓	✓	4/4

Legend

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

Council Members



President
Eng. Abel Ng'andu



Vice President, Policy Public Relations & National Development
Eng. Charity Chola



Vice President Finance & Administration
Eng. Wesley Kaluba



Vice President Membership & CPD
Eng. Monica Milupi



Imm. Past President
Eng. Eugene Haazele



EngRB Chairman
Eng. Kabaso Stephen Musebo



Engineers Representative
Eng. Taperewa Namwinda



Technologist Representative
Teg. Gideon Chilongu



Technician Representative
Tec. Jane Manase



Craftpersons Representative
Cra. Chanda Evans Kafusha



Northern Region Chairman
Eng. Dr. John Siame



Southern Region Chairman
Eng. Lusungu Nyirenda



Engineering Organisations Representative
Eng. Edith Vwalika Mwale



Engineering Units Representative
Eng. Michael Kalumbu Nsefu



Engineering Female Student's Representative
Gomezyo Mhone



Engineering Male Student's Representative
Ishmael Mutale



Registrar & CEO
Eng. Linus Chanda

Management Team



Eng. Linus Chanda
R. ENG, FEIZ
Registrar & CEO

Linus K. Chanda holds a Bachelor's degree in Engineering - Electrical Power and Machines. He has over 25 years working experience in the electricity sub sector, which includes asset management, project management, strategy and risk management, corporate strategy development, performance benchmarking and monitoring and team building. He has developed and implemented Quality Management Systems, Environmental and Safety Management systems which work resulted in certification under ISO 9001, ISO14001, and OSHAS 18001. Linus championed a Turn-around Strategy, for a major electricity utility, which was meant to effect positive performance of the national electricity utility. He has also led teams to developed and implemented management systems rolling over a utility from project phase to operations phase. Linus is a co-founder of Wind Sun Energy Zambia Limited an SME specializing in Renewable Energy and Energy efficiency. This experience exposed Linus to engineering challenges in the Zambian private sector, team building, change management, human resources and finance. He provides leadership in business and is a true champion in the development of the electricity industry in Africa. Linus has previously served on various national committees that include chairmanship of the Electricity Grid Code drafting committee, Cost of Service Study and member on the Restructuring of the Electricity Industry in Zambia and founder of the Zambia Hydro Forum. He has mentored and coached a number of graduate engineers and continues to champion student interest in engineering. In EIZ, he has served as a Council Member under 4 Past Presidents of the Engineering Institution of Zambia, past Chairperson of Siavonga District and past Secretary of EIZ Southern Region. Linus is currently serving as the Registrar and Chief Executive Officer of the Engineering Institution of Zambia. He is a Registered Engineer and a Fellow of the Engineering Institution of Zambia.



Eng. David Kamungu
BEng, MSc, PEIZ, REng
Deputy Registrar and
Director Operations

David is an accomplished Engineer with a Bachelor of Engineering and Master of Science in Project Management. He has ten (10) years of industrial experience in the Mining, Energy, Oil and Regulatory industries. His role at EIZ enables him to attend to compliance to the EIZ Act and to drive the strategic objectives of the Institution on a larger score. He ensures compliance by both engineering professionals and engineering organizations to the Act.



Mr. Eunie Ng'andu
Director Finance and
Administration

Mr. Eunie Ng'andu holds a Bachelor's of Science degree from the Oxford Brookes University UK and a Masters of Business Administration from the Henroit Wait University U.K and is a Fellow of the Zambia Institute of Chartered Accountants and also Fellow of Association of Chartered Accountants (ACCA). Mr. Eunie Ng'andu has extensive experience in Finance and General Business Management involving accounts responsibility and reporting having worked as General Manager for Afrope Zambia Limited from July 2013 to December 2019. He joined Afrope in January 2013 as Finance Manager and promoted to the position of General Manager within 6 months. In March 2014 he was elected trustee of Regina Sartunia Pension Fund and was in that office up to February 2018. He later joined Mukuba Pension Trust in January 2003 as Trainee Accountant and served impeccably for over 8 years before meritoriously raising through rank to the position of Chief Accountant a position he held until 2012.



Eng. Kabwe J. Musonda
BEng, MSc, PEIZ, REng
Regional Manager - South

Eng. Kabwe Julianna Musonda Mutashi is a Chemical Engineer who graduated with a Master's degree from the University of Cape Town. She is a feminist who joined the Engineering Institution of Zambia in 2018 as the Southern Region Manager. This role allows her to promote and regulate the engineering profession in the Southern Region and in Zambia as a whole. She loves that her job allows her to embark on ways in which the Engineering profession and innovations can be seen to benefit the local community. Kabwe strives to be a leader by what she does and becomes.



Mr. Rex Harold Kalangu
Technical and Quality
Manager

Mr Rex Harold Kalangu has over 15 years' experience in economic advisory programs, strategy development, Policy analysis, technical advisory, advocacy, sales and administration, he is the Technical and Quality Manager of the Engineering Institution of Zambia (EIZ). He holds a Master of Arts Degree in Public Administration from University of Lusaka, a Bachelor of Economics with a Major in Policy from Murdoch University in Western Australia and a Third Level Diploma in marketing from London Chambers of Commerce. He is an associate member of the Zambia Institute of Marketing and a full member of the Economics Association of Zambia.



Eng. Maiwaseh Zulu
Regional Manager - North

Eng. Maiwaseh Zulu is an electrical engineer by profession with a bachelor's degree in Electrical and Electronics Engineering from the University of Zambia. She is an ambitious, proactive and self-motivated professional with a strong background in Automation Engineering, Network and Control Systems. Eng. Maiwaseh Zulu has been working with the institution for ten years, possesses a commitment to delivering customer service with excellence and has a reputation for striving to achieve the advancement of technology for national development. Eng. Zulu is a Professional Engineer and active Member of EIZ, IEEE, and IET.

Financial Statement

The Engineering Institution of Zambia

Consolidated Financial Statements for the year ended
31 December 2021

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 2021

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:

Contents	Pages
Statement of Responsibilities in respect of the Preparation of the Financial Statements	38
Independent Auditor's Report	39-41
Statement of Comprehensive Income	42
Statement of Financial Position	43
Statement of Changes in Members' Funds	44
Statement of Cash flows	45
Significant Accounting Policies	46-65
Notes to the Financial Statements	66-76
Detailed Statement of Comprehensive Income	77
Operating and Administrative Expenses (Appendix)	78

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 2019

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	President
Eng. Charity Chola	Vice President-Policy, Public Relations and National Development
Eng. Wesley Kaluba	Vice President-Finance and Administration
Eng. Monica Milupi	Vice President-Membership and CPD
Eng. Eugene Haazele	Immediate Past President
Eng. Kabaso Stephen Musele	Engineering Registration Board Chairman
Eng. Lusungu Nyirenda	Southern Region Chairman
Eng. Dr. John Siame	Northern Region Chairman
Eng. Taperewa Namwinga	Representative-Engineers
Eng. Edith Mwale Munungwe	Representative-Engineering Organisation
Eng. Michael Nsefu	Representative-Engineering units
Teg. Gideon Chilongu	Technologists' Representative
Tec. Jane Manase	Technicians' Representative
Cra. Chansa Evans Kafusha	Craftpersons' Representative
Miss. Namuza Busiku Sizyongo	Female Engineering Students' Representative
Mr. William Manela	Male Engineering Students' Representative
Management:	
Eng. Linus Chanda	Registrar/CEO
Eng. David Kamungu	Deputy Registrar/Director Operations
Mr. Eunie Ng'andu	Director Finance & Administration
Eng. Kabwe Musonda	Regional Manager - South
Eng. Maiwaseh Zulu	Regional Manager - North
Mr. Rex Harold Kalangu	Technical & Quality Manager
Ms. Nanzele Hambulo	Human Resource & Administration Officer
Mr. Benstein Chanda	Accountant
Mr. Samson Kapufi	Finance & Administrations Head
Mr. Evans Lumamba	Procurement Specialist
Clowder Samahongo	IT Administrator
Registered address:	Engineering Institution of Zambia Stand No. 2374 Danny Pule Road, Show Grounds P.O.Box 51084 Lusaka
Solicitors:	Wilson and Cornhill 5th 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 Access Bank Limited
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 2021

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 2021, 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 significant accounting policies 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 deficit of the Group and the Institution for the year ended 31 December 2021; 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 2021.

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 4434 A, Kumoyo Road, Longacres
P.O. Box 31014,
Lusaka, Zambia

Plot 16 B, Kantanta Street
Mikana East
P.O. Box 21505, Kitwe

Tel: +260 211 228 874 - 76 (Lusaka)
Mobile: +260 954 262 310
Tel: +260 212 225 166 (Kitwe)
Mobile: +260 954 933 904
Website: www.mphzm.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, 2021, 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 significant accounting policies.

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, 2021, 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

Lusaka, Zambia

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 2021

Consolidated Statement of Comprehensive Income

		Group	Group	Institution	Institution
	Notes	2021	2020	2021	2020
		K	K	K	K
Revenue					
Membership and registration fees	6	49,275,997	39,978,746	49,275,997	39,978,746
Other income	7	5,294,663	1,170,096	5,294,663	1,170,096
Gross income		54,570,660	41,148,842	54,570,660	41,148,842
Less: Activity costs	9	(11,851,307)	(6,633,957)	(11,851,307)	(6,633,957)
Gross surplus		42,719,353	34,514,885	42,719,353	34,514,885
Less: Operating and administrative expenditure	10	(30,191,498)	(21,685,395)	(30,191,498)	(21,685,395)
Surplus/(Deficit) of income over expenditure before finance costs and investment income		12,527,855	12,829,490	12,527,855	12,829,490
Net financing and investment income	8	739,229	1,724,867	739,229	1,724,867
Surplus/(Deficit) of income over expenditure after finance costs		13,267,084	14,554,357	13,267,084	14,554,357
Other comprehensive income					
<i>Items that will not subsequently be reclassified to income and expenditure</i>					
Fair value through other comprehensive income investments	13	196,208	(37,448)	196,208	(37,448)
Total comprehensive income		13,463,292	14,516,909	13,463,292	14,516,909

The accounting policies and notes on pages 46 to 65 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 2021

Consolidated Statement of Financial Position

	Notes	Group 2021 K	Group 2020 K	Institution 2021 K	Institution 2020 K
Assets					
Non-Current Assets					
Fair value through other comprehensive income investments	13	414,570	218,362	414,570	218,362
Investment in EIZ Properties Plc	14	86,701,159	73,082,659	85,202,096	71,583,596
Property and equipment	15	7,802,952	6,702,517	7,802,952	6,702,517
Intangible assets	16	2,543,500	-	2,543,500	-
		97,462,181	80,003,538	95,963,118	78,504,475
Current Assets					
Trade and other receivables	17	5,176,508	3,803,496	5,176,508	3,803,496
Short term deposits	18	3,205,361	7,000,000	3,205,361	7,000,000
Cash at bank and in hand	18	6,432,774	4,413,835	6,432,774	4,413,835
		14,814,643	15,217,331	14,814,643	15,217,331
Total Assets		112,276,824	95,220,869	110,777,761	93,721,806
Accumulated Funds and Liabilities					
Accumulated funds					
Accumulated reserves		68,422,304	55,155,220	68,422,304	55,155,220
Equity investment reserves		318,178	121,970	318,178	121,970
Revaluation reserves		3,269,324	3,269,324	3,269,324	3,269,324
		72,009,806	58,546,514	72,009,806	58,546,514
Non-controlling interest	23	1,499,063	1,499,063	-	-
Members' Interest		73,508,869	60,045,577	72,009,806	58,546,514
Liabilities					
Non-Current Liabilities					
Long term portion of loan	20	4,022,162	4,793,362	4,022,162	4,793,362
Long-term portion of gratuity	21	1,634,740	2,432,769	1,634,740	2,432,769
		5,656,902	7,226,131	5,656,902	7,226,131
Current Liabilities					
Trade and other payables	19	26,864,973	18,545,194	26,864,973	18,545,194
Short term portion of loan	20	5,160,000	8,760,000	5,160,000	8,760,000
Short term portion of gratuity	21	1,086,080	643,967	1,086,080	643,967
		33,111,053	27,949,161	33,111,053	27,949,161
Total Liabilities		38,767,955	35,175,292	38,767,955	35,175,292
Total Accumulated Funds and Liabilities		112,276,824	95,220,869	110,777,761	93,721,806

The financial statements set out on pages 36 to 65, 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 2021

Consolidated Statement of Changes in Members' Funds

	Note	Accumulated reserves	Equity investment reserves	Property revaluation reserves	Total
		K	K	K	K
At 1 January 2020		40,600,863	159,418	3,269,324	44,029,605
Surplus/(Deficit) for the year as restated		14,554,357	-	-	14,554,357
Net value gain/(loss) on fair value through other comprehensive income investments	14	-	(37,448)	-	(37,448)
At 31 December 2020		55,155,220	121,970	3,269,324	58,546,514
At 1 January 2021		55,155,220	121,970	3,269,324	58,546,514
Surplus for the year		13,267,084	-	-	13,267,084
Net value gain/(loss) on fair value through other comprehensive income investments	14	-	196,208	-	196,208
At 31 December 2021 (Group and Institution)		68,422,304	318,178	3,269,324	72,009,806

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 46 to 65 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 2021

Consolidated Statement of Cash Flows

	Note	Group 2021 K	Group 2020 K	Institution 2021 K	Institution 2020 K
Cash flows from operating activities					
Surplus for the year		13,463,292	14,516,909	13,463,292	14,516,909
Adjusted for:					
Depreciation	15	1,198,366	536,666	1,198,366	536,666
Fair value adjustment-Equity Investments	13	(196,208)	37,448	(196,208)	37,448
Proceeds on disposal of PPE		-	262,276	-	262,276
Proceed on disposal of shares		-	16,839	-	16,839
Impairment of intangible asset	16		-		-
Cash generated from operating activities		14,465,450	15,370,138	14,465,450	15,370,138
Return on investments and servicing of finance					
Net interest paid		-	-	-	-
Operating cash flows before movements in working capital		14,465,450	15,370,138	14,465,450	15,370,138
Changes in operating assets and liabilities					
Decrease/(Increase) in trade and other receivables	17	(1,373,012)	(2,696,404)	(1,373,012)	(2,696,404)
Increase/(decrease) in gratuity liabilities	21	(355,916)	709,187	(355,916)	709,187
Increase/(decrease) in trade and other payables	19	8,319,779	(1,634,052)	8,319,779	(1,634,052)
Net cash inflow from operating activities		21,056,301	11,748,869	21,056,301	11,748,869
Cash flows from investing activities					
Investment in subsidiary	14	(13,618,500)	(7,033,641)	(13,618,500)	(7,033,641)
Acquisition of property and equipment	15	(2,298,801)	(3,470,333)	(2,298,801)	(3,470,333)
New DMIS (WIP)	16	(2,543,500)	-	(2,543,500)	-
Net cash flow from investing activities		(18,460,801)	(10,503,974)	(18,460,801)	(10,503,974)
Net cash inflow/(outflow) before financing		2,595,500	1,244,895	2,595,500	1,244,895
Cash flows from financing activities					
Increase/(decrease) in loans	20	(4,371,200)	5,572,992	(4,371,200)	5,572,992
Net cash from financing activities		(1,775,700)	6,817,887	(1,775,700)	6,817,887
Net cash inflow/(outflow)		(1,775,700)	6,817,887	(1,775,700)	6,817,887
Net cash and cash equivalents at the beginning of the year		11,413,835	4,595,948	11,413,835	4,595,948
Cash and cash equivalents at end of the year	19	9,638,135	11,413,835	9,638,135	11,413,835

The accounting policies and notes on pages 11 to 44 are an integral part of these 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 2021

Significant Accounting Policies

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.

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 2021

Significant Accounting Policies *(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.

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 2021

Significant Accounting Policies (*continued*)

2 Significant accounting policies

a) Revenue recognition

Membership and registration fees

Revenue is recognized 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.

Un-identified receipts

All the un-identified receipts recorded between 1st January and 30th September are assumed to be revenue for that year and as such recognized as income in the same financial year. The un-identified receipts received between 1st October and 31st December are treated as deferred income and are only recognized as revenue in the following year.

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 recognized 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 recognized 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.

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 2021

Significant Accounting Policies (*continued*)

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

2 Significant accounting policies (*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

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 2021

Significant Accounting Policies (*continued*)

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.

2 Significant accounting policies (*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.

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 2021

Significant Accounting Policies (*continued*)

2 Significant accounting policies (*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.

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 2021

Significant Accounting Policies (*continued*)

2 Significant accounting policies (*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

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 2021

Accounting Policies (*continued*)

2. Significant accounting policies (*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

When the Institution exchanges with an 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

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 2021

Accounting Policies (*continued*)

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.

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.

2. Significant accounting policies (*continued*)

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.

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 2021

Accounting Policies (*continued*)

(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 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.

2. Significant accounting policies (*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

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 2021

Significant Accounting Policies *(continued)*

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 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 Significant accounting policies *(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.

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 2021

Significant Accounting Policies *(continued)*

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

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.

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 2021

Significant Accounting Policies (*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.

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 2021

Significant Accounting Policies (*continued*)

4 New Standards and interpretations

Application of new and revised International Financial Reporting Standards (IFRSs)

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

4.1 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 2021.

Standard	Subject of amendment	Effective date and impact
Interest Rate Benchmark Reform-Phase 2- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	The amendments enable entities to reflect the effects of transitioning from bench mark interest rates, such as Interbank Offered Rates (IBORs) to alternative bench mark interest rates without giving rise to accounting impacts that would not provide useful information to users of financial statements.	1 January 2021. The amendment has had no immediate impact on the Company.
IFRS 16. Covid-19- Related Rent Concessions beyond 30 June 2021	Covid-19 –Related Concessions Beyond 30 June 2021 extends the availability of the practical expedient for Covid-19 related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.	The amendment is effective for annual periods beginning on or after 1 April 2021. Earlier application is permitted.

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 2021

Significant Accounting Policies (*continued*)

4.2 New and revised IFRSs in issue but not yet effective (*continued*)

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:

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. The amendment will affect the Company’s classifications of liabilities as current on non-current.
Amendments to IAS 1, Presentation of financial statements and IFRS Practice Statement 2 - Making Materiality judgements – Disclosure of Accounting Policies	The amendments change the requirements 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. The amendments will have an impact on the financial statements of the Company.
Amendments to IAS	The amendments replace the definition of a change in	Annual periods

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 2021

8	Accounting Policies, Changes in Accounting Estimates and Errors- Definition of Accounting Estimates	accounting estimates with a definition of accounting estimates. Accounting estimates are 'monetary amounts in financial statements that are subject to measurement uncertainty'. The standard now clarifies that; <ul style="list-style-type: none"> • A change in accounting estimate that results from new information or new developments is not a correction of an error. • The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from correction of prior period errors 	beginning on or after 1 January 2023. Earlier application is permitted.
---	---	--	---

Significant Accounting Policies (*continued*)

4.2 New and revised IFRSs in issue but not yet effective (*continued*)

Standard	Requirement	Effective date
Amendments to IAS 12 Income Taxes-Deferred Tax related to Assets and Liabilities arising from a single transaction.	The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.	The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early adoption is permitted. The amendment might impact the Company.
Amendments to IAS 16 Property and Equipment- Proceeds before Intended Use	The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted. The amendments could impact the Company.
Amendments to IAS 37 – Provisions, Contingent	The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of	The amendments are effective for annual periods

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 2021

Liabilities and Contingent Assets-Onerous Contracts-Cost of Fulfilling a Contract	<p>both the incremental costs of fulfilling the contract and the allocation of other costs that relate directly to fulfilling contracts.</p> <p>The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments.</p>	<p>beginning on or after January 1, 2022. Early application is permitted.</p> <p>The amendments could impact the Company.</p>
Annual improvements to IFRS Standards 2018-2020-Amendments to IFRS 1, First -Time Adoption of IFRSs, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture	<p>The annual improvements relate to four standards.</p> <p><i>IFRS 1 First-Time Adoption of International Financial Reporting Standards</i></p> <p>The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences.</p>	<p>The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.</p>
	<p><i>IFRS 9 Financial Instruments</i></p> <p>The amendment clarifies that in applying the ‘10 per cent ‘ test to assess whether to derecognize a financial liability, an entity includes only fees paid or receivable between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.</p>	<p>The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.</p> <p>The amendment could impact the Company.</p>
	<p><i>IFRS 16 Leases</i></p> <p>The amendment removes the illustration of leasehold improvements.</p>	<p>No effective date applies.</p>
	<p><i>IAS 41 Agriculture</i></p> <p>The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13. To use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post tax cash flows and discount rates for the most appropriate fair value</p>	<p>The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.</p>

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 2021

measurement.

Accounting Policies (*continued*)

4.2 New and revised IFRSs in issue but not yet effective (*continued*)

Amendments to IFRS 3-Business Combinations-reference to the Conceptual Framework	The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework rather than the 1989 Framework. They also add to IFRS 3 a requirement that for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. The amendments also require that an acquirer does not recognize contingent assets acquired in a business combination.	The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.
IFRS 17 Insurance Contracts	The amendments address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date on the initial application of IFRS 17.	The amendments are effective for annual periods beginning on or after January 1, 2022.
Amendments to IFRS 10 and IAS 28	The amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate of a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interest in the new associate or joint venture.	Effective date has not been set yet.

Significant Accounting Policies (*continued*)

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 2021

4.2 New and revised IFRSs in issue but not yet effective (continued)

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.

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 2021

Significant Accounting Policies (*continued*)

4.2 New and revised IFRSs in issue but not yet effective (*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 2021 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.

Fair value hierarchy

The Institution 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 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,

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.

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 2021

Notes to the Consolidated Financial Statements

	Note	Group 2021 K	Group 2020 K	Institution 2021 K	Institution 2020 K
6. Membership and registration fees					
Registration fees		23,100,723	20,230,056	23,100,723	20,230,056
Membership subscriptions		22,737,870	18,236,443	22,737,870	18,236,443
Processing and application fees		3,437,404	1,512,247	3,437,404	1,512,247
		49,275,997	39,978,746	49,275,997	39,978,746
7. Other income					
AGM symposium and dinner dance		4,006,730	195,000	4,006,730	195,000
Donations		1,012,843	394,465	1,012,843	394,465
Unesco Africa Engineering Week		-	143,317	-	143,317
Sundry income		275,090	437,314	275,090	437,314
		5,294,663	1,170,096	5,294,663	1,170,096
8. Net financing and investment income					
Bank interest received		718,534	1,708,431	718,534	1,708,431
Rental income		20,695	16,436	20,695	16,436
		739,229	1,724,867	739,229	1,724,867
9. Activity costs					
AGM. Symposium and dinner dance		5,653,039	1,705,050	5,653,039	1,705,050
Membership and CPD		3,637,940	3,394,071	3,637,940	3,394,071
Compliance and inspection		1,918,366	1,089,650	1,918,366	1,089,650
Policy, public relations and National Development		546,952	445,186	546,952	445,186
EGM costs		95,010	-	95,010	-
		11,851,307	6,633,957	11,851,307	6,633,957
10. Operating and administrative expenditure					
Personal emoluments	13	15,612,860	12,870,856	15,612,860	12,870,856
Other operating and administrative expenses		13,380,272	8,277,873	13,380,272	8,277,873
Depreciation	16	1,198,366	536,666	1,198,366	536,666
		30,191,498	21,685,395	30,191,498	21,685,395

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 2021

Notes to the Consolidated Financial Statements (*continued*)

	Group 2021 K	Group 2020 K	Institution 2021 K	Institution 2020 K
11. Finance costs				
Finance charges on lease obligations	-	-	-	-
	-	-	-	-
12. Personal emoluments				
Gross pay	6,949,868	6,380,037	6,949,868	6,380,037
NAPSA Employer's contribution	427,108	356,337	427,108	356,337
Leave pay	1,276,453	1,312,498	1,276,453	1,312,498
Gratuity expense	2,727,278	2,252,762	2,727,278	2,252,762
Housing, Transport & Education allowances	3,890,414	1,888,241	3,890,414	1,888,241
Workers Compensation Fund	8,317	24,046	8,317	24,046
Other payroll related expenses	333,422	656,935	333,422	656,935
	15,612,860	12,870,856	15,612,860	12,870,856
13. Fair value through other comprehensive income investments				
Standard Chartered Bank Zambia Plc	56,825	66,296	56,825	66,296
Investrust Bank Plc	9,270	7,416	9,270	7,416
Copperbelt Energy Corporation Plc	348,475	144,650	348,475	144,650
	414,570	218,362	414,570	218,362
Opening balance	218,362	272,648	218,362	272,648
Fair value adjustment	196,208	(37,448)	196,208	(37,448)
Disposal of shares	-	(16,838)	-	(16,838)
Closing balance	414,570	218,362	414,570	218,362

During the year under review, the Institution received a mandatory offer from BP Investments Ltd (BPIL) of Nigeria for the purchase of the shares that EIZ held in CEC Africa. Consequently, EIZ accepted the offer to sell the said shares held in CEC Africa at a consideration of ZMW16,838 (Sixteen Thousand Eight Hundred Thirty Eight Kwacha only) as shown above under disposal.

14. Investment in subsidiary -EIZ Properties Plc	Group	Group	Institution	Institution
As at 1 January	85,202,096	71,583,596	71,583,596	64,549,955
Additions	-	-	13,618,500	7,033,641
Non-Controlling Interest (NCI)	1,499,063	1,499,063	-	-
At 31 December	86,701,159	73,082,659	85,202,096	71,583,596

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

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 2021

Notes to the Consolidated Financial Statements (*continued*)

16. Property and equipment - Group and Institution

	2021			2020		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost/ valuation	Accumulated depreciation	Carrying value
Land and buildings	3,358,000	(716,825)	2,641,175	3,358,000	(632,875)	2,725,125
Motor vehicles	7,139,046	(3,133,017)	4,006,029	5,766,053	(2,205,613)	3,560,440
Furniture and fittings	800,846	(457,759)	343,087	413,412	(413,412)	-
Office equipment	2,042,556	(1,230,885)	811,671	1,504,182	(1,088,549)	415,633
Generator	142,829	(142,826)	3	142,829	(142,498)	331
Medallion	988	-	988	988	-	988
Institution total	13,484,265	(5,681,312)	7,802,953	11,185,464	(4,482,947)	6,702,517
Capital work in progress	85,202,096	-	85,202,096	71,583,596	-	71,583,596
Group total	98,686,361	(5,681,312)	93,005,049	82,769,060	(4,482,947)	78,286,113

Reconciliation of property and equipment - December 2021

	Opening balance	Additions/ revaluation	Disposals	Transfers/ reclassification	Depreciation	Depreciation on disposals	Total
Land and buildings	2,725,125	-	-	-	(83,950)	-	2,641,175
Motor vehicles	3,560,440	1,372,992	-	-	(927,404)	-	4,006,029
Furniture and fittings	-	387,434	-	-	(44,347)	-	343,087
Office equipment	415,633	538,375	-	-	(142,337)	-	811,671
Generator	331	-	-	-	(328)	-	3
Medallion	988	-	-	-	-	-	988
Institution total	6,702,517	2,298,802	-	-	(1,198,366)	-	7,802,953
Capital work in progress	71,583,596	13,618,500	-	-	-	-	85,202,096
Group total	78,286,113	15,917,302	-	-	(1,198,366)	-	93,005,049

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 2021

Notes to the Consolidated Financial Statements (*continued*)

		Group	Institution	Institution			
	Note	2021 K	2021 K	2020 K			
<i>Reconciliation of property and equipment - December 2020</i>							
	Opening balance	Additions/ revaluation	Disposals	Transfers/ reclassificati on	Depreciation	Depreciation on disposals	Total
Land and buildings	2,809,075	-	-	-	(83,950)	-	2,725,125
Motor vehicles	865,665	3,251,075	(262,278)	-	(294,022)	-	3,560,440
Furniture and fittings	51,583	1,660	-	-	(53,243)	-	-
Office equipment	287,763	217,599	-	-	(89,729)	-	415,633
Generator	16,053	-	-	-	(15,722)	-	331
Medallion	988	-	-	-	-	-	988
Institution total	4,031,127	3,470,334	(262,278)	-	(536,666)	-	6,702,517
Capital work in progress	64,549,955	7,033,641	-	-	-	-	71,583,596
Group total	68,581,082	10,503,975	(262,278)	-	(536,666)	-	78,286,113

Fully depreciated assets valued at cost of K3,670,966 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, 364,933 (2020 K1,944,467).

16. Intangible assets

Cost

As at 1 January	-	-	-	-
New DMIS (WIP)	2,543,500	-	2,543,500	-
Impairment	-	-	-	-
At 31 December	2,543,500	-	2,543,500	-

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 (*continued*)

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 2021

	Group 2021 K	Group 2020 K	Institution 2021 K	Institution 2020 K
18. Trade and other receivables				
Trade receivables	4,786,456	2,374,696	4,786,456	2,374,696
Less: Impairment losses	-	-	-	-
Net trade receivables	4,786,456	2,374,696	4,786,456	2,374,696
Staff receivables	269,312	221,942	269,312	221,942
Less: Impairment losses	-	-	-	-
Net staff receivables	269,312	221,942	269,312	221,942
Other receivables	-	-	-	-
Less: Impairment losses	-	-	-	-
Net other receivables	-	-	-	-
Prepayments and deposits	120,740	1,206,858	120,740	1,206,858
Bank interest receivable	-	-	-	-
Total receivables	5,176,508	3,803,496	5,176,508	3,803,496

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 2021

Notes to the consolidated Financial Statements (*continued*)

	Group 2021 K	Group 2020 K	Institution 2021 K	Institution 2020 K
18. Cash and cash equivalents				
Short term deposits	3,205,361	7,000,000	3,205,361	7,000,000
Cash at bank and in hand	6,432,774	4,413,835	6,432,774	4,413,835
	9,638,135	11,413,835	9,638,135	11,413,835

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

Cash and bank balances as above	9,638,135	11,413,835	9,638,135	11,413,835
---------------------------------	------------------	------------	------------------	------------

19. Trade and other payables

Trade and other creditors	1,264,816	440,078	1,264,816	440,078
Hua Chang Engineering (IPC 9)	4,235,712	-	4,235,712	-
Other accruals and payables	571,044	542,070	571,044	542,070
Deferred income-subscriptions prepaid	18,936,113	16,063,983	18,936,113	16,063,983
EIZ Properties-Rent received	358,225	-	358,225	-
EIZ Properties sale of shares	1,499,063	1,499,063	1,499,063	1,499,063
	26,864,973	18,545,194	26,864,973	18,545,194

20. Access Bank Loan

Long-term portion	3,917,042	4,793,362	4,022,162	4,793,362
Short-term portion	5,160,000	8,760,000	5,160,000	8,760,000
	9,077,042	13,553,362	9,182,162	13,553,362

The term loan facility was originally for K20,000,000, but we further got K10,000,000 in 2020 to help accelerate the construction works at the New EIZ HQ Building.

Interest is currently at 20.5% and 26.5% for the old and new loan stocks, respectively, per annum and the loan balance is repayable in 60 equal monthly instalments.

Collateral is

- Stand No. 2374 Showgrounds Lusaka
- S/D T5& of farm No. 1459 Nkana East, Kitwe
- Registered Cession over Fire Policies of the above properties

21. Staff gratuity provision

Long-term portion (note 23)	1,634,740	2,432,769	1,634,740	2,432,769
Short-term portion (note 23)	1,086,080	643,967	1,086,080	643,967
	2,720,820	3,076,736	2,720,820	3,076,736

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

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 2021

Notes to the consolidated Financial Statements (*continued*)

	Group 2021 K	Group 2020 K	Institution 2021 K	Institution 2020 K
23. Employee benefits				
Long term gratuity	1,634,740	2,432,769	1,634,740	2,432,769
Prior year adjustment	-	-	-	-
Balance at 31 December (note 22)	1,634,740	2,432,769	1,634,740	2,432,769
Short term gratuity	1,086,080	643,967	1,086,080	643,967
Leave provision	-	-	-	-
Balance at 31 December (note 22)	2,720,820	3,076,736	2,720,820	3,076,736

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 2021 K	Group 2020 K	Institution 2021 K	Institution 2020 K
Cash and cash equivalent	19	9,638,135	11,413,835	9,638,135	11,413,835
Trade and other receivables	18	5,176,508	3,803,496	5,176,508	3,803,496
		14,814,643	15,217,331	14,814,643	15,217,331

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.

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

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 2021

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 2021</i>					
Trade and other payables	19	25,365,910	1,499,063	-	-
		25,365,910	1,499,063	-	-
<i>At 31 December 2020</i>					
Trade and other payables	19	17,046,131	1,499,063	-	-
		17,046,131	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 2021</i>					
Trade and other payables	19	25,365,910	1,499,063	-	-
		25,365,910	1,499,063	-	-
<i>At 31 December 2020</i>					
Trade and other payables	19	17,046,131	1,499,063	-	-
		17,046,131	1,499,063	-	-

25. 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 (*continued*)

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 2021

	Group 2021	Group 2020	Institution 2021	Institution 2020
	K	K	K	K

26. Capital commitments

There were no capital commitments as at 31st December, 2021 (2020: nil).

27. Contingent liabilities

The were no contingent liabilities as at 31st December, 2021 (2020: nil).

28. 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	2,738,427	1,829,308	2,738,427	1,829,308
Council and Committee remuneration	2,920,000	695,207	2,920,000	695,207
	<u>5,658,427</u>	<u>2,524,515</u>	<u>5,658,427</u>	<u>2,524,515</u>

Related party transaction balances

Balance receivable

Key management advances	25,667	20,000	25,667	20,000
	<u>25,667</u>	<u>20,000</u>	<u>25,667</u>	<u>20,000</u>

Balance payable

Key management gratuity payable	705,680	666,137	705,680	666,137
	<u>705,680</u>	<u>666,137</u>	<u>705,680</u>	<u>666,137</u>

Notes to the Consolidated Financial Statements (*continued*)

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 2021

Note	Group 2021 K	Group 2020 K	Institution 2021 K
------	--------------------	--------------------	--------------------------

29. Group entity

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

30. Events after the reporting date

In late 2019, a novel strain of coronavirus, also known as COVID-19, was reported in Wuhan, China. While initially the outbreak was largely concentrated in China, it has now spread to several other countries, including Zambia, and infections have been reported globally. The World Health Organization has declared the outbreak of the novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern.” In an effort to mitigate the spread of COVID the Government of the Republic of Zambia has implemented a number of measures that include temporary closure of selected businesses, restrictions on travel and the movement of people, and other material limitations on the conduct of business such as requiring non-essential employees to work from home.

As the COVID-19 pandemic is complex and rapidly evolving, Management cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on operations of the Institution. The Institution depends largely on Members contributions for its operations. The extent to which the coronavirus pandemic will impact its members is, at the date of signature of these financial statements, highly uncertain and cannot be predicted with confidence.

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 2021

Detailed Consolidated Statement of Comprehensive Income

	Group	Group	Institution	Institution
	2021	2020	2021	2020
	K	K	K	K
Revenue				
Registration fees	23,100,723	20,230,056	23,100,723	20,230,056
Membership subscriptions	22,737,870	18,236,443	22,737,870	18,236,443
Processing and application fees	3,437,404	1,512,247	3,437,404	1,512,247
	<u>49,275,997</u>	<u>39,978,746</u>	<u>49,275,997</u>	<u>39,978,746</u>
Other income				
AGM symposium and dinner dance	4,006,730	195,000	4,006,730	195,000
Donations	1,012,843	394,465	1,012,843	394,465
UNESCO Africa Engineering Week	-	143,317	-	143,317
Sundry income	275,090	437,314	275,090	437,314
	<u>5,294,663</u>	<u>1,170,096</u>	<u>5,294,663</u>	<u>1,170,096</u>
Gross income	<u>54,570,660</u>	<u>41,148,842</u>	<u>54,570,660</u>	<u>41,148,842</u>
Expenditure				
Activity costs				
AGM. Symposium and dinner dance	(5,653,039)	(1,705,050)	(5,653,039)	(1,705,050)
EGM meeting	(95,010)	-	(95,010)	-
Membership and CPD	(3,637,940)	(3,394,071)	(3,637,940)	(3,394,071)
Compliance and inspection	(1,918,366)	(1,089,650)	(1,918,366)	(1,089,650)
Policy, public relations and National Development	(546,952)	(445,186)	(546,952)	(445,186)
	<u>(11,851,307)</u>	<u>(6,633,957)</u>	<u>(11,851,307)</u>	<u>(6,633,957)</u>
Finance costs	-	-	-	-
Operating and administrative expenditure				
Personal emoluments	(15,612,860)	(12,870,856)	(15,612,860)	(12,870,856)
Other operating and administrative expenses (Appendix I)	(13,380,272)	(8,277,873)	(13,380,272)	(8,277,873)
Depreciation	(1,198,366)	(536,666)	(1,198,366)	(536,666)
	<u>(30,191,498)</u>	<u>(21,685,395)</u>	<u>(30,191,498)</u>	<u>(21,685,395)</u>
Surplus / (Deficit) for the year	<u>12,527,855</u>	<u>12,829,490</u>	<u>12,527,855</u>	<u>12,829,490</u>
Other comprehensive income				
Net financing and investment income	739,229	1,724,867	739,229	1,724,867
Net value gain/(loss) on fair value through other comprehensive income investments	196,208	(37,448)	196,208	(37,448)
Total comprehensive income	<u>13,463,292</u>	<u>14,516,909</u>	<u>13,463,292</u>	<u>14,516,909</u>

Operating and Administrative Expenditure

The Engineering Institution of Zambia

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

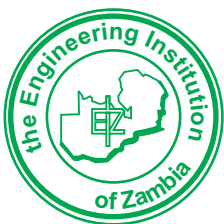
Consolidated Financial Statements for the year ended 31 December 2021

Operating and Administrative Expenditure

Appendix I

	Group 2021 K	Group 2020 K	Institution 2021 K	Institution 2020 K
Operating expenses				
Advertising and promotions	7,975	5,878	7,975	5,878
Audit fees	233,865	224,331	233,865	224,331
Bank charges	252,745	327,471	252,745	327,471
Cleaning expenses	7,800	6,450	7,800	6,450
Computer expenses	416,546	166,692	416,546	166,692
Covid 19 expenses	57,018	130,871	57,018	130,871
Foreign Exchange loss	537,790	-	537,790	-
Council/Board expenses	6,337,379	2,124,898	6,337,379	2,124,898
Corporate governance workshops	37,495	280,029	37,495	280,029
Electricity and water	93,980	69,271	93,980	69,271
QMS & Balanced Scorecard expenses	535,884	146,248	535,884	146,248
Insurance	247,196	327,339	247,196	327,339
Legal and professional fees	36,767	51,460	36,767	51,460
Motor vehicle expenses	892,837	772,934	892,837	772,934
Office expenses	540,716	404,158	540,716	404,158
Preparation of Strategic Plan and AWP and B	270,112	330,936	270,112	330,936
Printing and stationery	410,859	232,126	410,859	232,126
Recruitment expenses	106,580	23,537	106,580	23,537
Rent and rates	150,965	254,823	150,965	254,823
Repairs and maintenance	92,591	58,752	92,591	58,752
Security services	143,848	192,232	143,848	192,232
Staff welfare	871,776	1,052,633	871,776	1,052,633
Telephone, fax, internet and postage	453,932	624,542	453,932	624,542
Travel and accommodation	643,616	470,262	643,616	470,262
	13,380,272	8,277,873	13,380,272	8,277,873

www.eiz.org.zm



EIZ HEADQUARTERS

Stand No. 2374, Danny
Pule Road, Showgrounds
P.O. Box 51084
Tel: +260 211 256 214,
+260 211 255 161

SOUTHERN REGION

Stand No. 2374,
Danny Pule Road
P.O. Box 51084,
Telefax: + 260 211 256214
Email: eiz@eiz.org.zm

NORTHERN REGION

Engineers' House
8 Kantanta Street,
P.O. Box 23385,
Tel: +260 212 230 111,
+260 212 222 608

ADVANCING TECHNOLOGY FOR NATIONAL DEVELOPMENT