

**Zambia Institute of
Human Resource Management**

Zambia Institute of Human Resource Management
Annual Financial Statements
for the year ended 31 December 2025

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

General Information

Country of incorporation and domicile	Zambia
Nature of business and principal activities	Regulation of Human Resource Management Practitioners in Zambia
Registered office	Plot 1780 Buchi Road Off Lubambe Road
Bankers	Stanbic Bank Zambia Zambia National Commercial Bank Indo Zambia Bank Limited
Auditors	Reeds Business Solutions Chartered Accountants Plot 19013 Off Parliament Road Olympia Park Lusaka, Zambia
Legal advisors	Law Association of Zambia
Tax reference number	70000008912
Council Members	Mr. Kelvin Shamizhinga Mr. Clement Chipungu Mr. Innocent Mulenga Kolala Mr. Nathan Sinkala Mr. Edwin Kasanda Ms. Helen Mubanga Ms. Olive Anne Nunkwe Tembo Mr. Kabaso Chola Mr. Rodrick Mukuka

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

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Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Institute Council Member's Responsibilities and Approval of the Financial Statements

The Institute is required in terms of The Zambia Institute of Human Resource Management Act No. 3 of 2022 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Institute as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.


The Council Members acknowledge that they are ultimately responsible for the system of internal financial control established by the Institute and place considerable importance on maintaining a strong control environment. To enable the Institute to meet these responsibilities, the Institute sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Institute and all employees are required to maintain the highest ethical standards in ensuring the Institute's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Institute is on identifying, assessing, managing and monitoring all known forms of risk across the Institute. While operating risk cannot be fully eliminated, the Institute endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The Council Members have reviewed the Institute's cash flow forecast for the year to 31 December 2026 and, in light of this review and the current financial position, they are satisfied that the Institute has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Institute's annual financial statements. The annual financial statements have been examined by the Institute's external auditors and their report is presented on pages 7 to 9.

The annual financial statements set out on page 10, which have been prepared on the going concern basis, were approved by the Council Members on ~~23.04.2026~~ and were signed on their behalf by:



Mr. Kevin Shamizhinga - President



Mr. Sikatumba .O. Chilala - Registrar/CEO



Mr. Nathan Sinkala - Treasurer

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Report of the Institute

The Council of the Zambia Institute of Human Resource Management have pleasure in submitting their report on the annual financial statements of Zambia Institute of Human Resource Management for the year ended 31 December 2025.

1. Incorporation

The Institute was incorporated on 12 April 1997 and obtained its certificate to commence operations on the same day.

2. Nature of business

Zambia Institute of Human Resource Management was incorporated in Zambia with interests in Human Resource Management. The principle activity of the Institute is Regulation of Human Resiurce Management Practitioners in Zambia.

There have been no material changes to the nature of the Institute's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the The Zambia Institute of Human Resource Management Act No. 3 of 2022. The accounting policies have been applied consistently compared to the prior year.

The Institute recorded a net Surplus for the year ended 31 December 2025 of ZMW 1,053,999. This represented an increase of over 100% from the net surplus of the prior year of ZMW87,848.

Institute revenue increased by over 30% from ZMW25,093,700 in the prior year to ZMW34,646,144 for the year ended 31 December 2025

Institute cash flows from operating activities increased by 100% from ZMW1,313,771 in the prior year to ZMW2,538,742 for the year ended 31 December 2025.

Financial Results

	31 December 2025 ZMW	31 December 2024 ZMW
Total Income	34,646,144	25,093,700
Operating expenses	(33,592,145)	(25,005,852)
Surplus	1,053,999	87,848

4. Insurance and risk management

The Institute follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjunction with the Institute's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

5. Council Members

The Council members in office at the date of this report are as follows:

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Report of the Institute

5. Council Members (continued)

Council Members	Designation	Nationality
Mr. Kelvin Shamizhinga	President	Zambian
Mr. Clement Chipungu	Vice President	Zambian
Mr. Innocent Mulenga Kolala	Honorary Secretary	Zambian
Mr. Nathan Sinkala	Treasurer	Zambian
Mr. Edwin Kasanda	Councilor	Zambian
Ms. Helen Mubanga	Councilor	Zambian
Ms. Olive Anne Nunkwe Tembo	Councilor	Zambian
Mr. Kabaso Chola	Ministry of Labour (MOL) Representative	Zambian
Mr. Rodrick Mukuka	Law Association of Zambia Representative	Zambian

6. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Institute or in the policy regarding their use.

At 31 December 2025 the Institute's investment in property, plant and equipment amounted to ZMW5,991,355 (2024: ZMW 6,875,791), of which ZMW309,511 (2024: ZMW 2,798,873) was added in the current year through additions.

7. Events after the reporting period

The Institute is not aware of any material event which occurred after the reporting date and up to the date of this report.

8. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Council Members believe that the Institute has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Council Members have satisfied themselves that the Institute is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Council Members are not aware of any new material changes that may adversely impact the Institute. The Council Members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Institute.

9. Litigation statement

The Institute becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The Institute is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

10. Secretary

The Institute Secretary is Mr Sikatumba O. Chilala.

Business address:

Plot No. 1780
Buchi Road
Northmead
Lusaka, Zambia

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Report of the Institute

11. Terms of appointment of the auditors

Reeds Business Solutions are the appointed Institute's auditors. Included in the statement of comprehensive income for the year is the agreed auditors' remuneration. Members wishing to inspect a copy of the terms on which the Institute's auditors were appointed and remunerated may do so by contacting the Institute Secretary.

12. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the Council on _____ . No authority was given to anyone to amend the annual financial statements after the date of issue.

13. Acknowledgements

Thanks and appreciation are extended to all of our Members, staff, suppliers and all other key stakeholders for their continued support of the Institute.

The annual financial statements set out on page 10, which have been prepared on the going concern basis, were approved by the Council Members, and were signed on its behalf by:



Mr. Kevin Shamizhinga - President



Mr. Sikatumba .O. Chilala - Registrar/CEO



Mr. Nathan Sinkala



Independent Auditor's Report

To the Members of Zambia Institute of Human Resource Management

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of Zambia Institute of Human Resource Management set out on pages 10 to 23, which comprise the statement of financial position as at 31 December 2025; and the statement of Surplus or deficit and other comprehensive income; the statement of changes in equity; and the statement of cash flows for the year then ended; and notes to the annual financial statements, including material accounting policy information.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Zambia Institute of Human Resource Management as at 31 December 2025, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the requirements of the The Zambia Institute of Human Resource Management Act No. 3 of 2022.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Institute in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zambia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Zambia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Strictly adhere to the existing credit policy manual	We recommend that the Institute adheres to the credit policy manual. The matter is highlighted in our report to management
In the course of carrying out our work on receivables, we noted that Zambia Institute of Human Resource Management has a credit policy which is not strictly adhered to. Non-adherence to the credit policy has resulted in providing for bad debts of about ZMW755,630 as at 31 December 2025.	

Independent Auditor's Report

Other Information

The Council Members are responsible for the other information. The other information comprises the information included in the document titled "Zambia Institute of Human Resource Management annual financial statements for the year ended 31 December 2025", which includes the Report of the Institute as required by the The Zambia Institute of Human Resource Management Act No. 3 of 2022 and the supplementary information as set out on pages 24 to 25. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Council for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the The Zambia Institute of Human Resource Management Act No. 3 of 2022, and for such internal control as the Council Members determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Council Members are responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council Members either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Institutedirectors.
- Conclude on the appropriateness of the Institute's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute company'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 annual 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 Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council Members 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.

Independent Auditor's Report

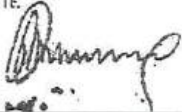
Report on Other Legal and Regulatory Requirements

As required by the Zambia Institute of Human Resource Management Act, No 3 of 2022 and the Institute's Constitution, we report to you, based on our audit, that;

We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion proper books of accounts have been kept by the Institute, so far as appears from our examination of those books; and

The Institute's statement of financial position and statement of comprehensive income is in agreement with the books of account.



Reeds Business Solutions
Daniel Mulenga Katongo
Engagement Partner

24th April, 2026

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Statement of Financial Position as at 31 December 2025

Figures in Zambian Kwacha

	Note(s)	2025	2024
Assets			
Non-Current Assets			
Property, plant and equipment	3	5,991,355	6,875,791
Current Assets			
Trade and other receivables	4	960,383	957,262
Investments	5	-	1,500,169
Contract costs	7	930,837	-
Other receivables	8	1,200,169	-
Cash and cash equivalents	9	2,538,742	1,313,777
		5,630,131	3,771,208
Total Assets		11,621,486	10,646,999
Fund and Liabilities			
Equity			
Reserves		322,940	322,940
Retained fund		6,990,623	5,936,628
		7,313,563	6,259,568
Liabilities			
Current Liabilities			
Trade and other payables	11	3,454,186	2,488,082
Loan		-	457,927
Deferred income	10	853,737	1,441,422
		4,307,923	4,387,431
Total Fund and Liabilities		11,621,486	10,646,999

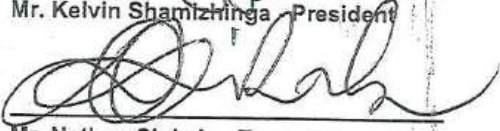
The annual financial statements and the notes on page 4, were approved by the Council on the 23.04.2026 and were signed on its behalf by:



Mr. Kelvin Shamizhinga - President



Mr Sikatumba .O. Chilala -Registrar / CEO



Mr. Nathan Sinkala - Treasurer

The accounting policies on pages 14 to 18 and the notes on pages 19 to 23 form an integral part of the annual financial statements.

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Statement of comprehensive Income

Figures in Zambian Kwacha	Note(s)	2025	2024
Revenue	12	29,124,749	22,814,592
Other operating income	13	5,521,395	2,279,108
Employee costs		(8,296,148)	(6,161,524)
Depreciation		(1,193,947)	(1,000,361)
Other operating expenses		(24,102,050)	(17,843,967)
Total comprehensive (Deficit) income for the year		1,053,999	87,848

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Statement of Changes in Net Fund

Figures in Zambian Kwacha	Revaluation reserve	Retained fund	Total equity
Balance at 1 January 2024	322,940	5,202,735	5,525,675
Total comprehensive income for the year	-	87,848	87,848
Transfer between reserves	-	646,045	646,045
Total	-	646,045	646,045
Balance at 1 January 2025	322,940	5,936,624	6,259,564
Total comprehensive Deficit for the year	-	1,053,999	1,053,999
Balance at 31 December 2025	322,940	6,990,623	7,313,563

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Statement of Cash Flows

Figures in Zambian Kwacha	Note(s)	2025	2024
Cash flows from operating activities			
Surplus		1,053,999	87,848
Adjustments for non-cash items:			
Depreciation		1,193,947	1,000,361
Other non-cash		-	646,045
Adjust for items which are presented separately:			
Changes in working capital:			
(Increase) decrease in trade and other receivables		(3,121)	(325,185)
Increase (decrease) in trade and other payables		966,102	-
Increase (decrease) in deferred income		(587,685)	591,558
Cash generated from operations		2,623,242	2,000,627
Net cash from operating activities		2,623,242	787,864
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(309,511)	2,732,893
Purchases of investments at fair value	5	300,000	(3,082,893)
Other assets -Contract cost	7	(930,837)	-
Net cash from investing activities		(940,348)	(350,000)
Cash flows from financing activities			
Loan -vehicle asset finance		(457,928)	875,913
Total cash movement for the year		1,224,966	1,313,777
Cash and cash equivalents at the beginning of the year		1,313,777	-
Cash and cash equivalents at the end of the year	9	2,538,743	1,313,777

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Accounting Policies

Corporate information

Zambia Institute of Human Resource Management is an Institute formed to regulate Human Resource Management Practitioners in Zambia and is domiciled in Zambia.

The annual financial statements for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Council Members.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements those that are considered significant are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") interpretations issued and effective at the time of preparing these annual financial statements and the The Zambia Institute of Human Resource Management Act No. 3 of 2022 as amended.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Zambian Kwachas, which is the Institute's functional currency.

These accounting policies are consistent with the previous period.

1.2 Investments in associates

The company holds investments in associates, being entities over which the company has significant influence. Significant influence is generally accompanied by a 20% to 50% of the voting rights of the investee and is demonstrated as the power to participate in the financial and operating policy decisions.

Investments in associates are accounted for using the equity method, being cost adjusted for post acquisition changes in the company's share of net assets, less any impairment losses.

Losses in an associate in excess of the company's interest therein, including any other unsecured receivables, are recognised only to the extent that the company has incurred a legal or constructive obligation to make payments on behalf of the associate.

Profits or losses on transactions between the company and an associate are eliminated to the extent of the company's interest therein.

Accounting policies of associates are consistent with those of the company.

Investments in associates in the separate financial statements

Investments in associates are carried at cost less any accumulated impairment losses in the separate financial statements.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Key sources of estimation uncertainty

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Institute uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Institute's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. notes addressing financial assets.

Impairment testing

The Institute reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on Institute replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note .

1.4 Investment property

Investment property consists of [explain what investment property consists of, e.g. land and buildings including undeveloped land]. These properties are held to earn rentals and for capital appreciation rather than being occupied by the company.

Investment property is initially recognised at cost, including transaction costs.

Cost for additions to or replacement of parts of investment property, are included in the costs of the investment property when they will result in future economic benefits. The carrying amount of replaced parts are derecognised.

Subsequent to initial measurement, investment property is measured at fair value, with changes in fair value recognised in profit or loss in the period in which it arises.

Gains or losses arising from a change in fair value, as well as gains or losses on disposal of investment property are included in profit or loss for the period in which they arise.

1.5 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Accounting Policies

1.5 Property, plant and equipment (continued)

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses except for land which is not depreciated.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	2%
Furniture and fixtures	Straight line	20%
Motor vehicles	Straight line	20%
Office equipment	Straight line	20%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

There were no indicators of impairment for property, plant and equipment and no impairment tests were performed.

1.6 Intangible assets

Intangible assets are initially recognised at cost.

Intangible assets are subsequently measured at cost less any accumulated amortisation and impairment losses.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

The useful life and amortisation method of intangible assets are reviewed at the end of each reporting period. No material changes were made.

There were no indicators of impairment for intangible assets and no impairment tests were performed.

1.7 Financial instruments

Financial instruments are recognised when the Institute becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any.

The material accounting policies for each type of financial instrument held by the Institute are presented below:

Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write offs accounting policy.

Impairment - Expected credit losses and write offs

The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in surplus or deficit with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account.

The Institute writes off an instrument when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the Institute's recovery procedures. Any recoveries made are recognised in surplus or deficit.

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Accounting Policies

1.7 Financial instruments (continued)

Trade and other payables

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.8 Tax

Current tax assets and liabilities

No provision for taxation has been made as the Institute is exempt from tax in terms of Income Tax Act (as amended) of the Laws of Zambia (Chapter 323) paragraph 5.

1.9 Impairment of assets

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

Impairment losses are recognised immediately in surplus or deficit.

1.10 Share capital and equity

Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

1.11 Employee benefits

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. The Institute makes contributions up to 5% to the National Pension Scheme Authority (NAPSA) which are dealt as defined contribution plan. Deductions are made from all employees and submitted to the Authority. Obligations for contribution to the defined contribution plan are recognised as an employee benefit expense in the statement of comprehensive income in the period during which services are rendered by employees.

1.12 Provisions and contingencies

The Institute recognises provisions in circumstances where it has a present obligation resulting from past events, which can be measured reliably and for which it is probable that the Institute will be required to settle the obligation.

There is always a degree of estimation uncertainty involved with provisions as they are measured at management's best estimate of the amount which will be required to settle the obligation. When the effect of discounting is material, the provision is measured at the present value of such amounts.

1.13 Revenue from contracts with customers/members

The Institute recognises revenue from the following major sources:

- Members annual subscriptions
- Conventions
- Continuous professional development
- Regional summit
- Workshops and seminars

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Institute recognises revenue when it transfers control of a service to a customer.

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Accounting Policies

1.14 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

1.15 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Zambian Kwachas, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are translated at the end of the reporting period using the closing rate.

Cash flows arising from transactions in a foreign currency are recorded in Zambian Kwachas by applying to the foreign currency amount the exchange rate between the Zambian Kwacha and the foreign currency at the date of the cash flow.

Refer to the individual accounting policies for financial instruments for the detailed foreign exchange accounting policies.

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Notes to the Annual Financial Statements

Figures in Zambian Kwacha	2025	2024
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2. Changes in accounting policy

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior years.

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Notes to the Annual Financial Statements

Figures in Zambian Kwacha

2025 2024

3. Property, plant and equipment

	2025		2024			
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	3,620,246	(433,444)	3,186,802	3,620,246	(361,040)	3,259,206
Furniture and fixtures	333,227	(183,126)	150,101	333,227	(116,481)	216,746
Motor vehicles	4,145,869	(1,972,148)	2,173,721	4,145,869	(1,143,002)	3,002,867
Office equipment	243,682	(193,471)	50,211	235,492	(145,281)	90,211
IT equipment	1,080,161	(649,641)	430,520	778,841	(472,080)	306,761
Total	9,423,185	(3,431,830)	5,991,355	9,113,675	(2,237,884)	6,875,791

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Depreciation	Total
Buildings	3,259,206	-	(72,404)	3,186,802
Furniture and fixtures	216,746	-	(66,645)	150,101
Motor vehicles	3,002,867	-	(829,146)	2,173,721
Office equipment	90,211	8,190	(48,190)	50,211
IT equipment	306,761	301,321	(177,562)	430,520
Total	6,875,791	309,511	(1,193,947)	5,991,355

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Notes to the Annual Financial Statements

Figures in Zambian Kwacha

2025

2024

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	3,331,610	-	-	(72,404)	3,259,206
Furniture and fixtures	-	227,206	-	(10,460)	216,746
Motor vehicles	1,196,343	2,191,750	350,000	(735,226)	3,002,867
Office equipment	-	126,595	-	(36,384)	90,211
IT equipment	199,326	253,322	-	(145,887)	306,761
	4,727,279	2,798,873	350,000	(1,000,361)	6,875,791

4. Trade and other receivables

Financial instruments:

Trade receivables	1,692,837	1,342,670
Loss allowance	(755,629)	(430,408)
Trade receivables at amortised cost	937,208	912,262

Non-financial instruments:

Employee costs in advance	23,175	45,000
Total trade and other receivables	960,383	957,262

5. Other financial assets

Government bonds	-	1,500,169
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Deposits held to maturity

Government Bonds

-	1,500,169
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This is an investment in Government securities held with Stanbic Bank Zambia Limited account number 9130005734022. Registration Number 04/2023 BA issued on the 2 May 2023, 731 days with settlement date of 2 May 2025 at interest of 9%. The investment value is K1,500.168.87.

6. Retirement benefits

Defined contribution plan

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. The organisation makes contributions to the National Pension Scheme Authority (NAPSA) which are dealt as a defined contribution plan. Deductions are made from all employees and submitted to the authority. Obligation for contribution to the defined contribution plan are recognised as an employee benefit expense in the statement of comprehensive income in the period during which services are rendered by employees.

7. Contract cost

The contract cost relates to a contract that The Institute was awarded for the provision of consulting services on culture transformation and performance management optimization. As per contract terms a Bank advance payment Guarantee equivalent to 25% of the contract value was required in order for service provider to process an advance payment to the Zambia Institute of Human Resource Management.

8. Other Receivables- Popcupine Micro Finance

This was advance payment towards an equity investment in Popcupine Micro Finance Limited in Partnership with The Zambia Federation of Employers (ZFE) as at 31 December 2025 Popcupine Finance Limited as not fully operational.

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Notes to the Annual Financial Statements

Figures in Zambian Kwacha

2025

2024

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	12,563	3,550
Bank balances	2,526,179	1,310,227
	2,538,742	1,313,777

10. Deferred income

Deferred income comprised, advance payments received from members in the year 2025 amounting to ZMW853,737 (December 2024: ZMW1,441,422)

Deferred income	853,737	1,441,422
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11. Trade and other payables

Financial instruments:

Trade payables	287,145	111,891
Other payables	1,821	1,819
Accrued leave pay	555,911	336,748
Terminal benefits	2,251,025	1,750,395
Accrued expense	358,284	287,229
	3,454,186	2,488,082

12. Revenue

Revenue from contracts with customers

Subscriptions	7,711,308	6,566,378
Conventions	5,824,419	4,741,690
Workshops and seminars	1,544,808	2,380,758
Continuous Professional Development	1,984,167	2,249,200
Regional summit	12,060,047	6,876,566
	29,124,749	22,814,592

13. Other operating income

ZIHRM Marathon	300,957	-
Promotion material	87,120	54,761
Golf income	-	56,000
Consultancy	1,958,717	-
Interest received	359,576	155,437
Sundry income	10,350	68,790
Building levy	1,330,858	1,366,030
Womens conference	120,600	79,740
Human capital	-	350
Awards Gala	1,353,217	498,000
	5,521,395	2,279,108

14. Employee costs

As at 31 December 2025 the Institute had 16 permanent employees (2024:15). Employee benefits expense is made up of the following for all employees:

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Notes to the Annual Financial Statements

Figures in Zambian Kwacha	2025	2024
14. Employee costs (continued)		
Employee costs		
Salaries and wages	5,688,947	3,972,806
Staff medical expenses	14,195	9,431
Accrued staff leave days	409,373	295,848
Gratuity	1,433,635	1,182,123
Subscription	193,152	170,268
Staff training	148,803	256,248
Staff welfare	408,043	274,800
	8,296,148	6,161,524
15. Depreciation		
Depreciation		
Property, plant and equipment	1,193,947	1,000,361
16. Commitments		
Authorised capital expenditure		
The Institute did not have any capital expenditure as at 31 December 2025 (2024:Nil).		
17. Contingencies		
The Institute did not have any contingent assets/liabilities at the close of the year (2024: Nil).		
18. Comparative figures		
No comparative figures have been restated		
19. Going concern		
The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.		
The Council Members believe that the Institute has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Council Members have satisfied is that the Institute is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Council Members are not aware of any new material changes that may adversely impact the Institute. The Council Members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Institute.		
20. Events after the reporting period		
The Council Members are not aware of any material event which occurred after the reporting date and up to the date of this report.		

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Detailed Income Statement

Figures in Zambian Kwacha	Note(s)	2025	2024
Revenue			
Subscriptions		7,711,308	6,566,378
Conventions		5,824,419	4,741,690
Workshops and seminars		1,544,808	2,380,758
Continuous Professional Development		1,984,167	2,249,200
Regional summit		12,060,047	6,876,566
	12	29,124,749	22,814,592
Other operating income			
ZIHRM Marathon		300,957	-
ZIHRM promotion material		87,120	54,761
Golf		-	56,000
Consultancy		1,958,717	-
Interest received		359,576	155,437
Sundry income		10,350	68,790
Building levy		1,330,858	1,366,030
Womens conference		120,600	79,740
Human capital		-	350
Awards gala		1,353,217	498,000
	13	5,521,395	2,279,108
Expenses (Refer to page 25)		(33,592,145)	(25,005,852)
Total comprehensive income for the year		1,053,999	87,848

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2025

Detailed Income Statement

Figures in Zambian Kwacha

	Note(s)	2025	2024
Other operating expenses			
Advertising		233,236	95,852
Auditor's remuneration - external audit		190,000	160,000
Provision for bad debts		325,221	327,964
Bank charges		83,347	45,843
Cleaning		18,659	18,599
Computer expenses		27,286	18,890
Consultancy fees		650,802	75,917
Convention expenses		3,496,661	3,741,774
ZIHRM promotional material		244,550	50,000
Depreciation		1,193,947	1,000,361
Employee costs		8,296,148	6,161,524
Regional summit		10,887,146	5,110,694
Awards gala dinner		291,066	560,414
Finance cost		38,455	148,312
Newspaper and magazine		8,700	5,400
Council and functional committees expense		1,177,287	1,102,799
Golf expenses		-	64,000
ZIHRM Marathon		978,480	-
Womens conference		302,019	117,950
Membership service initiative		279,692	218,946
Strategic planning		150,000	330,868
Governance		402,465	617,423
Workshops and seminars expenses		1,685,222	1,769,780
Branch expenses		30,400	278,090
Rent and rates		96,598	62,645
IT expenses		44,011	60,701
Motor vehicle expenses		381,053	349,861
Other office expenses		294,134	410,919
CPD expenses		175,750	182,620
Graduation expenses		18,000	41,010
Postage		23,630	15,445
Printing and stationery		133,809	489,837
Students conference		-	8,600
Repairs and maintenance		73,595	66,806
Security		27,860	25,074
Life policy for members		90,000	518,958
Telephone		44,250	22,960
Travel - local		170,865	24,661
Travel - overseas		1,027,801	704,355
		33,592,145	25,005,852