



**Zambia Institute of
Human Resource Management**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2024

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 Lumbambe 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. Fuedays Matipa 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 2024

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Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2024

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 2025 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 24 APRIL 2025 and were signed on their behalf by:



Mr. Kevin Shamizhinga - President



Mr. Sikatumba O. Chilala - Registrar/CEO



Mr. Fuedays Matipa - Treasurer

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2024

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 2024.

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 Resource 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 2024 of ZMW 87,848. This represented a decrease of 90% from the net surplus of the prior year of ZMW1,703,281.

Institute revenue increased by 21% from ZMW20,602,525 in the prior year to ZMW24,983,342 for the year ended 31 December 2024.

Institute cash flows from operating activities decreased by 33 % from ZMW3,062,831 in the prior year to ZMW2,012,330 for the year ended 31 December 2024.

Financial Results

	31 December 2024 ZMW	31 December 2023 ZMW
Total Income	25,093,700	20,602,525
Operating expenses	(25,005,852)	(18,899,243)
Surplus	87,848	1,703,282

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 2024

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. Fuedays Matipa	Treasurer	Zambian
Mr. Edwin Kasanda	Councillor	Zambian
Ms. Helen Mubanga	Councillor	Zambian
Ms. Olive Anne Nunkwe Tembo	Councillor	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 2024 the Institute's investment in property, plant and equipment amounted to ZMW6,875,791 (2023: ZMW 4,727,279), of which ZMW2,798,873 (2023: ZMW 1,038,197) 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
Buchl Road
Northmead
Lusaka, Zambia

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2024

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 24/4/25. 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. Fuedays Matips - Treasurer

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 22, which comprise the statement of financial position as at 31 December 2024; 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 2024, 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

Strictly adhere to the existing credit policy manual

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 ZMW430,408 as at 31 December 2024.

How our audit addressed the key audit matter

We recommend that the Institute adheres to the credit policy manual. The matter is highlighted in our report to management

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 2024", 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 23 to 24. 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 Institute directors.
- 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

25 APRIL 2025

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2024

Statement of Financial Position as at 31 December 2024

Figures in Zambian Kwacha	Note(s)	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	3	6,875,791	4,727,279
Current Assets			
Trade and other receivables	4	957,262	632,077
Investments	5	1,500,169	1,500,169
Cash and cash equivalents	6	1,313,777	2,012,330
		3,771,208	4,144,576
Total Assets		10,646,999	8,871,855
Fund and Liabilities			
Equity			
Reserves		322,940	322,940
Retained fund		5,936,628	5,202,734
		6,259,568	5,525,674
Liabilities			
Current Liabilities			
Trade and other payables	9	2,488,082	2,496,317
Loan	7	457,927	-
Deferred income	8	1,441,422	849,864
		4,387,431	3,346,181
Total Fund and Liabilities		10,646,999	8,871,855

The annual financial statements and the notes on page 4, were approved by the Council on the 24 April 2025 and were signed on its behalf by:


Mr. Kelvin Shamizhinga - President


Mr Sikatumba .O. Chilala -Registrar / CEO


Mr. Fuedays Matipa- Treasurer

The accounting policies on pages 14 to 17 and the notes on pages 18 to 22 form an integral part of the annual financial statements.

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2024

Statement of comprehensive Income

Figures in Zambian Kwacha	Note(s)	2024	2023
Revenue	10	22,814,592	18,433,970
Other operating income	11	2,279,108	2,168,555
Employee costs		(6,161,524)	(5,225,977)
Depreciation		(1,000,361)	(435,661)
Other operating expenses		(17,843,967)	(13,237,606)
Total comprehensive (Deficit) income for the year		87,848	1,703,281

Zambia Institute of Human Resource Management

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Statement of Changes in Net Fund

Figures in Zambian Kwacha	Revaluation reserve	Retained fund	Total equity
Balance at 1 January 2023	322,940	3,499,453	3,822,393
Total comprehensive income for the year	-	1,703,281	1,703,281
Balance at 1 January 2024	322,940	5,202,734	5,525,674
Total comprehensive Deficit for the year	-	87,848	87,848
Prior period adjustment	-	646,046	646,046
Total comprehensive income for the year	-	646,046	646,046
Balance at 31 December 2024	322,940	5,936,628	6,259,568

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2024

Statement of Cash Flows

Figures in Zambian Kwacha	Note(s)	2024	2023
Cash flows from operating activities			
Surplus		87,848	1,703,280
Adjustments for non-cash items:			
Depreciation		1,000,361	435,661
Other non-cash		846,045	-
Adjust for items which are presented separately:			
Changes in working capital:			
(Increase) decrease in trade and other receivables		(325,185)	(180,423)
Increase (decrease) in trade and other payables		(8,234)	(651,130)
Increase (decrease) in deferred income		591,558	(519,524)
Cash generated from operations		1,992,393	787,864
Net cash from operating activities		1,992,393	787,864
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(3,148,873)	(1,038,197)
Investments		-	(800,168)
Net cash from investing activities		(3,148,873)	(1,838,365)
Cash flows from financing activities			
Loan -vehicle asset finance	7	457,927	-
Total cash movement for the year		(698,553)	(1,050,501)
Cash and cash equivalents at the beginning of the year		2,012,330	3,062,831
Cash and cash equivalents at the end of the year	6	1,313,777	2,012,330

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2024

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 2024 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 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

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.

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

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 .

1.3 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.

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.

1.4 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:

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.4 Financial Instruments (continued)

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.

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.

1.5 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.

1.6 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.

1.7 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.

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2024

Accounting Policies

1.8 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.

1.9 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.

1.10 Borrowing costs

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

1.11 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 2024

Notes to the Annual Financial Statements

Figures in Zambian Kwacha

2024

2023

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 2024

Notes to the Annual Financial Statements

Figures in Zambian Kwacha

2024 2023

3. Property, plant and equipment

	2024		2023	
	Cost or revaluation	Accumulated depreciation	Cost or revaluation	Accumulated depreciation
Buildings	3,620,246	(361,040)	3,259,206	(288,636)
Furniture and fixtures	333,227	(116,481)	216,746	(106,023)
Motor vehicles	4,145,869	(1,143,002)	3,002,867	(757,777)
Office equipment	235,492	(145,281)	90,211	(108,897)
IT equipment	778,841	(472,080)	306,761	(326,192)
Total	9,113,675	(2,237,884)	6,875,791	(1,587,525)

4,727,279

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Accumulated depreciation on disposed off assets	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
Total	4,727,279	2,798,873	350,000	(1,000,361)	6,875,791

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Zambian Kwacha

2024 2023

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Total
Buildings	3,404,014	-	(72,404)	3,331,610
Motor vehicles	439,980	1,018,197	(261,834)	1,196,343
Office equipment	1,467	-	(1,467)	-
IT equipment	279,282	20,000	(99,956)	199,326
	4,124,743	1,038,197	(435,661)	4,727,279

4. Trade and other receivables

Financial instruments:

Trade receivables	1,342,670	734,521
Loss allowance	(430,408)	(102,444)
Trade receivables at amortised cost	912,262	632,077

Non-financial instruments:

Employee costs in advance	45,000	-
Total trade and other receivables	957,262	632,077

5. Other financial assets

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

Government Bonds	1,500,169	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. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3,550	675
Bank balances	1,310,227	2,011,655
	1,313,777	2,012,330

7. Borrowings

Held at amortised cost

Bank loan- Indo Zambia Bank	457,927	-
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Indo Zambia bank availed USD36,400 which was disbursed in Zambian Kwacha equivalent. The facility was availed to part finance the purchase of a Toyota Prado TX, for the Institute. The facility attracts interest at a floating rate of 32.5% being 19.00% above BOZ Rate currently at 13.5%. The loan shall be repaid including the principal, interest thereon to the bank within 12 months. The security is charge over Toyota Prado Tx valued at USD 52,000, duly registered as the bank noted as the absolute owner.

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Zambian Kwacha

2024

2023

8. Deferred income

Deferred income comprised, advance payments received from members in the year 2024 amounting to ZMW1,441,422 (December 2023: ZMW849,864)

Deferred income	1,441,422	849,864
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9. Trade and other payables

Financial instruments:

Trade payables	111,891	292,392
Other payables	1,819	1,820
Accrued leave pay	336,748	665,957
Terminal benefits	1,750,395	1,304,971
Accrued expense	287,229	231,177
	2,488,082	2,496,317

10. Revenue

Revenue from contracts with customers

Subscriptions	6,566,376	6,609,339
Conventions	4,741,690	4,374,708
Workshops and seminars	2,380,760	1,127,046
Continuous Professional Development	2,249,200	1,384,972
Regional summit	6,876,566	4,937,905
	22,814,592	18,433,970

11. Other operating income

Promotion material	54,761	1,870
Golf income	56,000	30,000
Consultancy	-	880,020
Interest received	155,437	119,141
Sundry income	68,790	109,635
Building levy	1,366,030	944,539
Womens conference	79,740	83,350
Human capital	350	-
Awards Gala	498,000	-
	2,279,108	2,168,555

12. Employee costs

As at 31 December 2024 the Institute had 15 permanent employees (2023:12). Employee benefits expense is made up of the following for all employees:

Employee costs

Salaries and wages	3,972,806	3,461,384
Staff medical expenses	9,431	31,681
Accrued staff leave days	295,848	239,522
Gratuity	1,182,123	1,197,495
Subscription	170,268	16,929
Staff training	256,248	138,265
Staff welfare	274,800	140,701
	6,161,524	5,225,977

13. Depreciation

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2024

Notes to the Annual Financial Statements

Figures in Zambian Kwacha	2024	2023
13. Depreciation (continued)		
Depreciation		
Property, plant and equipment	1,000,361	435,661

14. Contingencies

The Institute did not have any contingent assets/liabilities at the close of the year (2023: Nil).

15. 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.

16. 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 2024

Detailed Income Statement

Figures in Zambian Kwacha	Note(s)	2024	2023
Revenue			
Subscriptions		6,566,376	6,609,339
Conventions		4,741,690	4,374,708
Workshops and seminars		2,380,760	1,127,046
Continuous Professional Development		2,249,200	1,384,972
Regional summit		6,876,566	4,937,905
	10	22,814,592	18,433,970
Other operating income			
ZIHRM promotion material		54,761	1,870
Golf		56,000	30,000
Consultancy fees		-	880,020
Interest received		155,437	119,141
Sundry income		68,790	109,635
Building levy		1,366,030	944,539
Womens conference		79,740	83,350
Human capital		350	-
Awards gala		498,000	-
	11	2,279,108	2,168,555
Expenses (Refer to page 24)		(25,005,852)	(18,899,244)
Total comprehensive income for the year		87,848	1,703,281

Zambia Institute of Human Resource Management

Annual Financial Statements for the year ended 31 December 2024

Detailed Income Statement

Figures in Zambian Kwacha	Note(s)	2024	2023
Other operating expenses			
Advertising		95,852	60,792
Auditor's remuneration - external audit		160,000	138,262
Bad debts		327,964	82,508
Bank charges		45,843	38,063
Cleaning		18,599	17,528
Computer expenses		18,890	158,651
Consultancy fees		75,917	806,662
Convention expenses		3,741,774	2,334,705
ZIHRM promotional material		50,000	76,500
Depreciation		1,000,361	435,661
Donations		-	15,000
Employee costs		6,161,524	5,225,977
Regional summit		5,293,957	3,763,576
Awards gala dinner		560,414	-
Finance cost		148,312	-
Newspaper and magazine		5,400	5,760
Council and functional committees expense		1,102,799	1,218,805
Council and functional committees induction expenses		-	241,568
Golf expenses		64,000	25,700
Womens conference		117,950	139,900
Membership service initiative		218,946	114,892
Strategic planning		330,868	65,350
Governance		617,423	406,451
Workshops and seminars expenses		1,769,779	667,225
Branch expenses		278,090	288,604
Rent and rates		62,645	62,126
IT expenses		60,701	28,505
Legal and other expenses		-	75,000
Motor vehicle expenses		166,599	108,657
Other office expenses		410,919	297,111
CPD expenses		182,620	177,881
Graduation expenses		41,010	5,000
Postage		15,445	21,164
Printing and stationery		489,837	348,170
Students conference		8,600	30,870
Repairs and maintenance		66,806	73,599
Security		25,074	23,218
Independence brai		-	256,335
Life policy for members		518,958	327,066
Telephone		22,960	16,480
Travel - local		24,661	44,936
Travel - overseas		704,355	674,986
		25,005,852	18,899,244