

**Information and Communications Technology
Association of Zambia
(Registration number ORS/102/35/683)
Financial statements
For the year ended 31 December 2024**



Ahava Chartered Accountants

Information and Communications Technology Association of Zambia

(Registration number ORS/102/35/683)

Financial Statements for the year ended 31 December 2024

General Information

Country of incorporation and domicile	Zambia
Nature of business and principal activities	Registration of Information and Communications Technology professionals and regulation of their professional conduct in the interest of the Information and Communication Technology (ICT) Sector.
Executive Council Members	Dr. Clement Mulenga Sinyangwe Dr. Serah Beza Mbewe Mr. Bwalya Chisulo Ms. Jessie Chandalala Mr. Abel Kabwe Mr. Andrew Kampolo Mr. Daniel Chibesakunda Mr. George Mwale Mr. Ebo Mutembo Mpengula Ms. Malita Kabukabu Ng'andu Ms. Malala Simungala Mr. Mbulo Kabuwa Mr. Chellah Silavwe
Registered office	Plot No. 18 Njoka Road, off Kwacha Road Olympia Park Lusaka
Bankers	Absa Bank Zambia Plc Zambia National Building Society
Auditors	Ahava Chartered Accountants Plot 270A, Off Simon Mwansa Kapwepwe and Gardenia Roads Avondale Lusaka
National Secretary	Mr. Bwalya Chisulo

Information and Communications Technology Association of Zambia

(Registration number ORS/102/35/683)

Financial Statements for the year ended 31 December 2024

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Information and Communications Technology Association of Zambia

(Registration number ORS/102/35/683)

Financial Statements for the year ended 31 December 2024

Executive Council Members' Responsibilities and Approval

The Executive Council Members are required in terms of the Association Act No. 7 of 2018 of the Laws of Zambia to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Association 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 financial statements.

The 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.

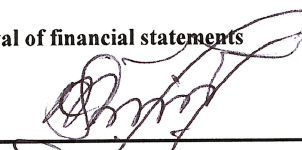
The Executive Council Members acknowledge that they are ultimately responsible for the system of internal financial control established by the Association and place considerable importance on maintaining a strong control environment. To enable the Executive Council Members to meet these responsibilities, the Executive Council Members 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 Association and all employees are required to maintain the highest ethical standards in ensuring the Association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Association is on identifying, assessing, managing and monitoring all known forms of risk across the Association. While operating risk cannot be fully eliminated, the Association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

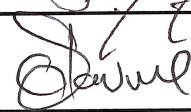
The Executive Council Members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal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

The Executive Council Members have reviewed the Association'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 Association has or had access to adequate resources to continue in operational existence for the foreseeable future.


The financial statements set out on pages 8 to 21, which have been prepared on the going concern basis, were approved by the Executive Council Members on9th March 2025..... and were signed on their behalf by:

Approval of financial statements



15th April 2025


15th April 2025



15th April 2025

Information and Communications Technology Association of Zambia

(Registration number ORS/102/35/683)

Financial Statements for the year ended 31 December 2024

Executive Council' Report

The Executive Council Members have pleasure in submitting their report on the financial statements of Information and Communications Technology Association of Zambia for the year ended 31 December 2024.

1. Nature of business

Information and Communications Technology Association of Zambia is established by an Act of Parliament, No.7 of 2018. The main function is Registration of Information Communications and Technology professionals and regulation of their professional conduct in the interest of the Information Communication and Technology (ICT) Sector.

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

2. Summary of financial results

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Association Act No. 7 of 2018 of the Laws of Zambia. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Association are set out in these financial statements.

3. Executive Council Members

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

Executive Council Members	Designation
Dr. Clement Mulenga Sinyangwe	President
Dr. Serah Beza Mbewe	Vice President
Mr. Bwalya Chisulo	National Secretary
Ms. Jessie Chandalala	National Treasurer
Mr. Abel Kabwe	Membership Registration Board Chairperson
Mr. Andrew Kampolo	Profession Development Chairperson
Mr. Daniel Chibesakunda	Technical Affairs Chairperson
Mr. George Mwale	Midlands Chairperson
Mr. Ebo Mutembo Mpengula	Northern Region Chairperson
Ms. Malita Kabukabu Ng'andu	Committee Member
Ms. Malala Simungala	Committee Member
Mr. Mbulo Kabuwa	Professional Ethics and Compliance Committee Chairperson
Mr. Chellah Silavwe	Registrar

4. Property, plant and equipment

At 31 December 2024 the Association's investment in property, plant and equipment amounted to ZK370,340 (2023: ZK 213,517), of which ZK347,763 (2023: ZK 58,601) was added in the current year through additions.

5. Events after the reporting period

The Executive Council Members are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. National Secretary

The National Secretary is Mr Bwalya Chisulo.

7. Terms of appointment of the auditors

Ahava were appointed as the Association's auditors by the Executive Council. Included in profit for the year is the agreed auditors' remuneration of K20,880.00-. Executive council members wishing to inspect a copy of the terms on which the organisation's auditors are appointed and remunerated may do so by contacting the national Secretary.

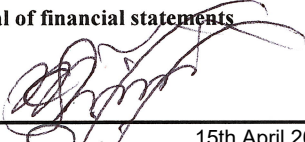
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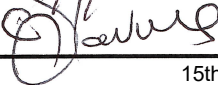
Executive Council' Report

The financial statements set out on pages 8 to 21, which have been prepared on the going concern basis, were approved by the board of directors on9th March 2025....., and were signed on its behalf by:


Approval of financial statements



15th April 2025



15th April 2025



15th April 2025



Ahava Chartered Accountants
Assurance | Forensics | Accounting | Tax

Stand No.57/B1/G90 Off Great East Road – Senanga
Street Handsworth Park, Lusaka

Call: +260 211 410 044
+260 977 721 891
info@acazambia.com

Independent Auditor's Report

To the Executive Council Members of Information and Communications Technology Association of Zambia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Information and Communications Technology Association of Zambia set out on page 8 to 21 which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Information and Communications Technology Association of Zambia as at December 31, 2024, and its financial performance and cash flows for the year then ended in accordance with the Financial Reporting Standards for Micro and Small entities and the requirements of the Association Act No. 7 of 2018 of the Laws of Zambia.

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 financial statements section of our report. We are independent of the Association in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (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.

Responsibilities of the directors for the Financial Statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the Financial Reporting Standards for Micro and Small sized entities and the requirements of the Association Act No. 7 of 2018 of the Laws of Zambia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Association'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 directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 Association's internal control.
- ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ☐ Conclude on the appropriateness of the directors' 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- ☐ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ☐ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Association audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

Report on other legal and regulatory requirements

The Association Act No. 7 of 2018 of the laws of Zambia requires that in carrying out an audit, we consider whether or not an Association has kept the accounting records as required by this Act. We conform that in our opinion the accounting records, other record, and registers required by the Association Act 7 of 2018 of the Laws of Zambia have been properly kept by the Association.

Ahava Chartered Accountants


Nkhatya Mbeve Partner (AUD/F004188)
Name of Partner signing on behalf of the firm
Date: 15.04.2025

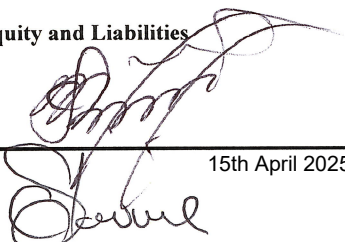

Information and Communications Technology Association of Zambia

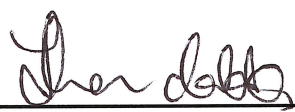
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Financial Statements for the year ended 31 December 2024

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	2	370,340	213,517
Intangible assets	17	240,000	-
		610,340	213,517
Current Assets			
Inventories	4	23,700	46,000
Trade and other receivables	3	217,850	10,250
Prepayments		1,876,909	200,000
Cash and cash equivalents	5	780,862	1,085,418
		2,899,321	1,341,668
Total Assets		3,509,661	1,555,185
Accumulated funds and Liabilities			
Accumulated funds			
Retained income		2,512,662	1,423,300
Liabilities			
Current Liabilities			
Trade and other payables	7	645,163	51,373
Deferred income	6	351,837	80,512
		997,000	131,885
Total Equity and Liabilities		3,509,662	1,555,185


15th April 2025

15th April 2025


15th April 2025

The accounting policies on pages 12 to 17 and the notes on pages 18 to 21 form an integral part of the financial statements.

Information and Communications Technology Association of Zambia

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Financial Statements for the year ended 31 December 2024

Statement of Profit or Loss and Other Comprehensive Income

Figures in Zambian Kwacha	Note(s)	2024	2023
Revenue			
Membership		2,566,566	1,814,072
Events		8,274,768	4,631,015
	8	<u>10,841,334</u>	<u>6,445,087</u>
Other income	9	<u>113,327</u>	<u>158,845</u>
Total Income		<u>10,954,661</u>	<u>6,603,932</u>
Other operating expenses			
Labour costs	10	1,638,949	1,081,821
Event expenses	11	5,561,732	3,637,579
Third party expenses	12	233,312	349,641
Maintenance		13,226	51,731
Hiring Charges		111,575	127,386
Communications		69,150	23,500
Software		43,083	9,400
Sundry expenses	13	707,820	438,727
Branding		13,927	94,619
Governance	14	1,355,062	546,227
Depreciation	15	126,030	119,081
Insurance		6,783	-
		<u>9,880,649</u>	<u>6,479,712</u>
Total comprehensive income for the year		<u>1,074,012</u>	<u>124,220</u>

Information and Communications Technology Association of Zambia

(Registration number ORS/102/35/683)

Financial Statements for the year ended 31 December 2024

Statement of Changes in Members Accumulated Funds

Figures in Zambian Kwacha	Retained income	Total equity
Balance at 1 January 2023	1,299,080	1,299,080
Total comprehensive income for the period	124,220	124,220
Balance at 1 January 2024	1,438,650	1,438,650
Total comprehensive income for the year	1,074,012	1,074,012
Balance at 31 December 2024	2,512,662	2,512,662

Note(s)

The accounting policies on pages 12 to 17 and the notes on pages 18 to 21 form an integral part of the financial statements.

Information and Communications Technology Association of Zambia

(Registration number ORS/102/35/683)

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			
Cash generated from operations	16	218,297	89,578
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(347,763)	(58,601)
Sale of property, plant and equipment	2	64,910	-
Investment of bonds		-	300,000
Purchase of other intangible assets	17	(240,000)	-
Net cash from investing activities		(522,853)	241,399
Total cash movement for the year		(304,556)	330,977
Cash at the beginning of the year		1,085,418	754,439
Total cash at end of the year	5	780,862	1,085,416

Information and Communications Technology Association of Zambia

(Registration number ORS/102/35/683)
Financial Statements for the year ended 31 December 2024

Accounting Policies

Corporate information

Information and Communications Technology Association of Zambia is established by an Act of Parliament, No.7 of 2018. The main function is registration of Information and Communications Technology professionals and regulation of their professional conduct in the interest of the Information and Communication Technology (ICT) Sector.

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Executive Council Members on.....9th March 2025..... .

1. Significant accounting policies

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

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Association Act No. 7 of 2018 of the Laws of Zambia.

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

These accounting policies are consistent with the previous period.

1.2 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the association holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Association, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

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 Association 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.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Association. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Rate
Office furniture	25%
Office equipment and computers	25%
Motor vehicles	25%

Information and Communications Technology Association of Zambia

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Financial Statements for the year ended 31 December 2024

Accounting Policies

1.3 Property, plant and equipment (continued)

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

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

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

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

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets

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

Item	Depreciation method	Average useful life
Patents, trademarks and other rights	Straight line	

1.5 Financial instruments

Financial instruments held by the association are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the association, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
 - Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).
-

Information and Communications Technology Association of Zambia

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Financial Statements for the year ended 31 December 2024

Accounting Policies

1.5 Financial instruments (continued)

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note Financial instruments and risk management presents the financial instruments held by the association based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the association are presented below:

Trade and other receivables

Classification

Trade and other receivables and prepayments, are classified as financial assets subsequently measured at amortised cost (note 3).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the association's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the association becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured 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.

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Financial Statements for the year ended 31 December 2024

Accounting Policies

1.5 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 7) and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

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

They are subsequently measured at amortised cost using the effective interest method.

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

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note).

Trade and other payables expose the association to liquidity risk and possibly to interest rate risk. Refer to note for details of risk exposure and management thereof.

Cash and cash equivalents

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

1.6 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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Accounting Policies

1.7 Inventories (continued)

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Inventories includes a "right to returned goods asset" which represents the company right to recover products from customers where customers exercise their right of return under the company returns policy. The company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

1.8 Impairment of assets

The association assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the association estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the association also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the association's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

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Accounting Policies

1.10 Revenue from contracts with customers

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

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Notes to the Financial Statements

Figures in Zambian Kwacha	2024	2023
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2. Property, plant and equipment

	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	118,475	(81,991)	36,484	88,329	(66,389)	21,940
Motor vehicles	190,000	(112,365)	77,635	190,000	(63,333)	126,667
Office equipment	337,308	(81,087)	256,221	20,865	(20,865)	-
IT equipment	-	-	-	116,117	(51,207)	64,910
Total	645,783	(275,443)	370,340	415,311	(201,794)	213,517

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	21,940	30,146	-	(15,602)	36,484
Motor vehicles	126,667	-	-	(49,032)	77,635
Office equipment	-	317,617	-	(61,396)	256,221
IT equipment	64,910	-	(64,910)	-	-
	213,517	347,763	(64,910)	(126,030)	370,340

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	38,045	-	(16,105)	21,940
Motor vehicles	174,167	-	(47,500)	126,667
Office equipment	773	-	(773)	-
IT equipment	61,012	58,601	(54,703)	64,910
	273,997	58,601	(119,081)	213,517

3. Trade and other receivables

Financial instruments:

Customer control account	119,350	-
Other receivables	94,000	-

Non-financial instruments:

Employee costs in advance	4,500	10,250
Total trade and other receivables	217,850	10,250

4. Inventories

Finished goods	23,700	46,000
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5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	417,528	3,128
Bank balances	363,334	1,082,290
	780,862	1,085,418

6. Deferred income

Non-current liabilities	-	-
Current liabilities	128,367	80,512
	128,367	80,512

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Financial Statements for the year ended 31 December 2024

Notes to the Financial Statements

Figures in Zambian Kwacha	2024	2023
7. Trade and other payables		
Financial instruments:		
NAPSA Contribution	14,558	16,674
NHIMA	1,806	1,092
ICICT	38,898	5,660
Local suppliers	546,471	8,700
NAPSA Penalties	-	2,166
PAYE	43,430	17,081
	645,163	51,373
8. Revenue		
Membership fees	2,566,566	1,814,072
AGM & Conference	8,274,768	4,631,015
	10,841,334	6,445,087
Disaggregation of income from members		
The company disaggregates income as follows:		
Income		
Membership and Practising Certificates	1,550,906	1,814,072
Practising Certificates	566,760	-
Membership	448,900	-
	2,566,566	1,814,072
Events		
AGM & Conference	7,261,668	4,631,015
Gala Dinner & Awards	728,100	-
Hackathons	260,000	-
Breakfast Meetings	25,000	-
	8,274,768	4,631,015
Total income	10,841,334	6,445,087
9. Other income		
Other income	86,327	158,845
Gifts	27,000	-
	113,327	158,845
10. Labour costs		
Employee costs		
Salaries and wages	942,462	921,350
Bonus	97,107	66,000
Housing allowance	270,406	-
Overtime	35,024	-
Gratuity	78,534	46,800
Napsa	61,909	42,128
Nhima	9,292	5,543
Leave pay	8,635	-
Transport allowance	135,580	-
	1,638,949	1,081,821

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Notes to the Financial Statements

Figures in Zambian Kwacha	2024	2023
11. Events expenses		
Annual General Meeting	4,524,416	3,637,579
Breakfast Meeting	127,306	-
Hackathons	185,331	-
Gala Dinner & Awards	724,680	-
	5,561,733	3,637,579
12. Third party expenses		
Bank Services	32,100	22,542
Maintenance Costs	4,440	-
Auditors' Fees and services	46,760	34,800
Legal Expenses	49,900	162,535
Licence fees	4,526	-
Security Services	94,086	81,641
Other	-	47,623
Professional Fees	1,500	-
	233,312	349,141
13. Sundry expenses		
Donation and Sponsorship	46,000	18,000
Local Travel	72,276	103,263
Fuel & Transport	153,550	44,887
Utilities	22,975	39,497
Stationery	46,735	49,795
Office Purchases	56,131	35,763
Team Building	4,797	-
Other Sundry Costs	73,378	147,522
Statutory Penalties	854	-
Stakeholder Engagements	130,698	-
Foreign Travel	100,426	-
	707,820	438,727
14. Governance		
ExCo Sitting Allowances	154,600	404,801
ExCo Transport	44,905	-
ExCo Local Travel	193,068	-
ExCo Other Allowances & Expenses	172,448	141,425
Venue Hiring	71,829	-
Election Costs	211,561	-
ExCo Trainings	123,600	-
ExCo Foreign Travel	41,297	-
PE & C Sitting Allowances	22,000	-
Membership Registration Board	4,500	-
Regulations and Rules	115,255	-
Strategic Planning	200,000	-
	1,355,063	546,226
15. Depreciation, amortisation and impairment losses		
Depreciation		
Property, plant and equipment	126,030	119,081

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Notes to the Financial Statements

Figures in Zambian Kwacha	2024	2023
16. Cash generated from operations		
Profit before taxation	1,074,012	124,220
Adjustments for:		
Depreciation and amortisation	126,030	119,081
Other non-cash items	15,349	(17,936)
Changes in working capital:		
Inventories	22,300	(46,000)
Trade and other receivables	(207,600)	58,468
Prepayments	(1,676,909)	(200,000)
Trade and other payables	593,790	11,233
Deferred income	271,325	40,512
	218,297	89,578

17. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, internally generated	240,000	-	240,000	-	-	-

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Total
Computer software, internally generated	-	240,000	240,000