EIZ Properties Plc

Annual Report for the year ended
31 December 2023

MPH Chartered Accountants

General information

Nature of Business:	Investment and Property Development
Registered Office:	Stand No.2374 Kelvin Siwale Show Grounds P.O. Box 51084 Lusaka
Bankers:	Ind-Zambia Bank Ltd Stanbic Bank Plc
Auditors:	MPH Chartered Accountants Plot 4434A Kumoyo Road Longacres P.O. Box 31014 Lusaka
Solicitors:	Wilson and Cornhill 5th Floor Premium House P.O. Box 38906 Lusaka

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Chairman's report for the year ended 31 December 2023

1 Activities

On behalf of EIZ Properties Plc, I present to you the work of the Board in the year 2023. During the year under review, the Company achieved various project milestones amidst a number of challenges. The Company continued with its construction project of the Engineering Park at Plot No. 2374 located in the showgrounds area in Lusaka. On 29th June 2023 the Engineering house was launched and officially opened at above 95% completion, with Second and Third floor ready for occupancy and the First-floor west wing ready as well.

Construction Project

The construction work on the HQ project has been finalized with the Super Structure standing at 100%. The ground and first floors on the southern wing of the New EIZ Building have been completed and are being used by the Engineering Institution of Zambia secretariat. The second and Third floor were at above 95% occupied by various tenants and Higher Education Authority occupying the entire third floor. Funds were sourced in the 2022 from Engineering Institution of Zambia (EIZ) to facilitate the completion of all the remaining works which includes the Auditorium and first floor car pack conversion to office space. These works are planned to finish within the first quarter of 2024.

The table below shows the status of the key milestones on the project:

ITEM	DESCRIPTION	**PLANNED DATE**	**ACTUAL DATE**	**% COMPLETE**
1	PROJECT START DATE		22nd Oct, 2014	
2	MOBILISATION	11th Nov, 2014	17th Nov, 2014	100%
3	SUBSTRUCTURE	12th Nov, 2014	11th Dec, 2014	100%
4	SUPERSTRUCTURE GROUND FLOOR	10th Aug, 2015	18th Aug, 2015	100%
5	SUPERSTRUCTURE FIRST FLOOR	28th Oct, 2015	06th Oct, 2015	100%
6	SUPERSTRUCTURE SECOND FLOOR	1st Dec, 2015	12th Dec, 2015	100%
7	SUPERSTRUCTURE THIRD FLOOR	6th July, 2016	11th April, 2016	100%
8	FINISHES	25th April, 2015	30th June ,2020	80%
9	OVERRALL PROJECT WORK DONE TO DATE	22nd Oct,2016	30th Dec, 2023	95%
10	PROJECT COMPLETION DATE	10th February, 2017	31st March,2024	100%

Chairman's report for the year ended 31 December 2023 *(continued)*

Project Financial Commitments

The Board continued to face the financial challenges in 2023 in meeting the cost of construction work at the New EIZ Building. As at 31 December 2023, however no IPC amount was outstanding to the main contractor, Hua Chang Infrastructure Engineering (Z) Ltd, as 31st December 2023. In 2022 EIZ, secured the funds in the amount of ZMW29.2, part of the amount (ZMW7.9 million) was used to refinance the existing loan while (ZMW21.3 million) will help complete the building by the end of first quarter of 2024. The major shareholder EIZ made available ZMW10.8million as a loan to the Company, the money was applied towards completion works of the building.

The total cost of the building as at 31 December 2023 stood at One hundred -Seven Million one Hundred Eighty-One Thousand Nine Hundred Eighty-Thirty-Four Kwacha (ZMW 107,181,934) compared to ZMW 97,848,714 in 2022.

Future Plans

The Company will continue pursuing its capital raising project with a view of empowering engineering professionals across the country. We are confident that the current project will be completed within the year 2024.

2 Authorised and Issued Share Capital

Details of the Company's authorized and issued share capital:

	Number	ZMW
Authorized Ordinary Shares:		
Shares of ZMW0.01 each	**150,000,000**	**1,500,000**

Issued and fully subscribed shares:	**Number**	**Contributed ZMW**
Engineering Institution of Zambia (Issued and fully paid)	**48,174,826**	**96,359,652**
Engineering Institution of Zambia (un allotted shares but fully paid)	**0**	**0**
Various individuals	**749,531**	**1,499,062**
Total Allotted and unallotted Shares	**48,924,357**	**97,848,714**

Directors' report for the year ended 31 December 2023

1 Results for the year

The Company started trading during the period under review. A good number of Tenants were on boarded. The major activity undertaken during the year ended 31st December, 2023 was the Work-in-Progress in the capital investment in the Engineering Park being developed at Plot No. 2374 in the Showgrounds area Lusaka.

2 Dividends

There were no dividends proposed or paid during the year as the Company is yet to start trading.

3 Directorate and secretary

The names of the Directors and of the Secretaries who held office during the financial year ended 31 December 2023 are shown below:

Directors

Surname	Forenames	Position	Experience and Qualifications.	Date of Appointment/ Changes
1. Mwafulilwa	London	Board Chairman	A registered Engineer and Fellow member of the Engineering Institution of Zambia (EIZ). Holder of a Bachelor's Degree in Mechanical Engineering. He has over 30 years' experience in Engineering and Management. Principal Shareholder and Team Leader – SHAWONGA ENTERPRISES LIMITED Also, the Principal Shareholder and Chairman of the Board of Directors of ZINPRO LIMITED	Appointed 02nd June, 2018. Reappointed 25th March 2022
2. Kangwa	Diana	Director	A registered Engineer and Fellow member of the Engineering Institution of Zambia (EIZ). Holder of a Bachelor's Degree in Electronics & Telecommunications Engineering from the University of Zambia, a Master's Degree in Communication & Information Systems from Huazhong University of Science and Technology (HUST) in China and a Master's Degree in Business Administration (MBA) from the Copperbelt University. Doctorate of	Appointed March 2021

			Business Administration at the Binary University of Management Entrepreneurship of Malaysia Saved as Chief Operating Officer: Zambia National Commercial Bank Plc. served as Deputy Chief Operating Officer at Cavmont Bank Zambia prior to joining Zanaco,	
3. Ng'andu	Eunie	Company Secretary	A Chartered Certified Accountant, Fellow of the Zambia Institute of Chartered Accountants (FZICA) and the Association of Chartered Certified Accountants (FCCA). A holder of a Master of Business Administration He has over 20 years' experience in Financial Management, Investment Management, Governance Administration, Quality Management, Auditing, Problem Solving and Innovation Management, Corporate Secretarial.	Appointed 09th January 2020
4. Chola K	Charity	Director	Electrical/Electronics Engineer and Fellow of the Engineering Institution of Zambia. Working as a Manager at ZESCO in charge of all Information System (IS) Infrastructure and Solutions. Highly skilled and well-seasoned Information and Communications Technology (ICT) Engineer with over twenty years' experience in planning, architecting, implementing and maintaining information systems infrastructure holds a Bachelor of Engineering Degree in Electronic and Telecommunications from the University of Zambia. One of the first indigenous Zambian women to graduate from the School of Engineering. Attended many international short courses in various countries around the world. ICT expert, have successfully implemented	Appointed 30th July, 2020. Retired 30th March 2023

			a number of ICT projects in ZESCO including the automation of ZESCO's business processes, implementation of the Prepaid System with multiple vending channels, Business Continuity solution for ZESCO's critical systems, implementation of IT Service Management. Serving on the 60th EIZ Council as Vice President – Policy, Public Relations and National Development. Serving on the Grid Code Technical Committee and on the Accreditation Committee of the Higher Education Authority Board representing the Engineering fraternity	
5 Kantibhai K	Patel	Director	Eng. Kantibhai Khemchandbhai Patel holds a Bachelor Degree in Mechanical Engineering from LE College, Morbi campus, Saurashtra University, Rajkot, India. He worked as a Design and Production Manager at Sobi Industries Limited, Lusaka Zambia with the role of production, planning, controlling, Machinery maintenance and repair. Eng. Kantibhai also worked as a resident Engineer at Shah Construction Company, LTD, Mumbai, India and was responsible for construction of various collector wells, river bridges and roads. He has been a member of the Engineering Institution of Zambia since 1995 and got an EIZ annual award for maximum CPD points in 2017.	Appointed 30th July, 2020. Retired 30th March 2023

6. Patrick	Kampengele		Bachelor's Degree Engineering Credit 1984 - 1989 Activities and Societies: Member of the Chartered Institute of Arbitrators (Zambia Branch) Adjudicator Accredited Mediator Past Chairman - Association of Consulting Engineers of Zambia Past Chairman - Engineering Registration Board of Zambia Past Chairman - National Council for Construction (Zambia) Chairman - Mining Licensing Committee (Zambia) Patrick Kampengele is the Managing Director of Knight Piesold Consulting in Zambia and has more 30 years. This experience has mainly been in the mining and energy sectors. Patrick is an Arbitrator, Adjudicator and Accredited Mediator. Patrick is very conversant with the FIDIC suite and has attended several high level FIDIC training programs.	Appointed March 2021
7.David	Kamungu	Executive Director	Eng. Kamungu holds a Bachelor of Engineering in Chemical Engineering and Master of Science in Project Management and has over 10 years post qualification experience in the oil, mining, manufacturing and regulatory sector. He has hands on leadership and competencies in Project Management, Corporate Strategy & Risk Management, environmental and safety management systems. He also previously served as Assistant Superintendent, Regional Manager South and Deputy Registrar and Director of Operations of EIZ. He has been involved in the development and implementation of various operational systems in EIZ.	Appointed February 2022

8.Ennie	Muchelemba	Director	Eng. Muchelemba is a holder of a Masters' degree in Municipal Water and Infrastructure specialization Water Supply Engineering from UNESCO-IHE Institute for Water Education in Delft, the Netherlands, a Bachelors' degree in Chemical Engineering and a Diploma in Industrial Science Technology, both from the Copperbelt University in Zambia. Notable roles in her career include, that of Technical Advisor – School Water, Sanitation and Hygiene at Ministry of General Education under UNICEF, as well as Operations Manager, Devolution Trust Fund Manager and Regional Engineer under the same program. As a fellow of EIZ, she has also served at EIZ as a Chairperson of the Zambian Women in Engineering Section ("ZWES"), member of the Membership and Continuous Professional Development Committee and Engineering Technical Committee	Appointed March 2023

9. Clement	Silavwe	Director	Clement Silavwe, a Fellow of the Engineering Institution of Zambia, possesses a Masters in Operation and Planning of Energy Systems (Kathmandu University/Norwegian University of Science and Technology - 2012) and a Bachelor's degree in Electronics and Electrical Engineering (University of Birmingham - 1993) both academic qualifications attained via scholarships: NORAD(Norway) and ZCCM(Zambia), respectively. He has 3 decades expertise built up across a changing Zambian Electricity Supply Industry where he rose from graduate engineer status all the way to a top business executive at national level. He has also sat on ERB's Grid Code Technical Committee and chaired its complementary Distribution Grid Code Review Panel. His involvement and innovative approach has seen him handle appliances; build, run and maintain distribution and supply systems as well supervise generation interfaces with capacities from Wh to TWh, including ICT networked off grid sites. His professional interests include Management of Energy Systems, Energy Efficiency and the transition to the Smart Grid.	Appointed March 2023

4 Directors' interest in ordinary shares

The following directors have an interest in the equity of the Company:

No.	Shareholder's name	No. of shares	Amount paid up ZMW
1.	Clement Silavwe	5,000	10,000
2.	Charity Kapatamoyo Chola	7,500.00	15,000
3.	Kantibhai Khemchandbhai Patel	25,000	50,000

5 Directors' fees

There were no Directors' fees paid during the year, other than Board meeting allowances.

6 Salary advances to key management personnel

There were no salary advances outstanding from key management personnel at year end.

7 Health, Environment and Safety

The Company attaches great importance to health and safety. In this regard the Company requires all contractors and subcontractors working at the site to adhere to mandatory safety standards. During the period under review there were no safety matters of concern raised.

8 Employees

The Company employed one fulltime employees in the last quarter of the year under review. Management services were provided by Engineering Institution of Zambia Management staff with a responsibility allowance of ZMW 288,000 (ZMW 288,000.00 in 2022). The Company plans to employ more staff in the following year and cut off provision of management services by EIZ.

9 Donations and gifts

EIZ Properties Plc did not make any donations during the year under review.

10 Other material facts, circumstances and events

Refer to note 15 (page 42) on a novel strain of coronavirus, also known as COVID -19.

Directors' report for the year ended 31 December 2023 *(continued)*

11 Equipment

The Company acquired a Genset during the period under review no other equipment was procured during the year under review.

12 Corporate governance

During the period under review the company did not meet the legal requirement of holding four Board meetings due to it being in developing stage.

Three directors are due for retirement during the year under review and would do so at the forth coming 2023 Annual General Meeting.

The Company is yet to fully comply with certain corporate governance principles such as setting up of committees of the Board. However, two committees have been set the Audit, Compliance & Rist Committee fully operational while the Finance & Investment Committee is set to commence by the second quarter of 2024. This is due to the fact that the company's operations are in its infancy and the company just started trading.

The financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board and comply with the requirements of the Companies Act 2017.

There have been no contracts of significance subsisting during or at the end of the financial year in which any director or any substantial shareholder has been materially interested.

13 Auditors

In accordance with section 171 (3) of the Companies Act of Zambia, the auditors, MPH Chartered Accountants, have indicated their willingness to continue in office and a resolution for their appointment will be tabled at the Annual General Meeting.

By order of the board

Eunie Ng'andu
Company Secretary

Statement of Responsibilities in respect of the Preparation of Financial Statements

Section 164 (6) of the Companies Act 2017 (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

The Directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at 31st December 2022, the statement of comprehensive income, statement of changes in equity and the cash flow statement for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 2017.

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

In the opinion of the Directors:

- the statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Company as at 31st December 2023;
- there are reasonable grounds to believe that the Company will be able to meet its debts as and when they fall due;
- the financial statements have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 2017 and the Securities Act 1993 (as amended).

Approval of the financial statements

The financial statements of the Company as indicated above and set out on pages 16 to 42 were approved by the Directors on ……………………………. and were signed on its behalf by:

Director	**Director**

Independent auditor's report to the members of EIZ Properties Plc.

Report on the Financial Statements

Opinion

We have audited the financial statements of the EIZ Properties Plc. (the Company), which comprise the statement of comprehensive income, statement of financial position as at December 31, 2022, 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 accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act of Zambia, 2017.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA)*, and we have fulfilled our other ethical responsibilities in accordance with IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

key Audit Matters

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

We have determined that there are no key audit matters to communicate in our report.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Information

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

Independent Auditor's Report *(continued)*

Report on Other Legal and Regulatory Requirements

Companies Act, 2017

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

i. There is a relationship, interest or debt which us, as the Company's auditor, have in the Company;
ii. There are serious breaches by the Company's directors, of corporate governance principles or practices contained in part VII's sections 82 to 122 of the Zambia Companies Act of 2017; and
iii. There is an omission in the financial statements as regards particulars of any loan made to a Company officer (a director, company secretary or executive officer of the Company) during the year, and if reasonably possible, disclose such information in our opinion.

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

MPH Chartered Accountants Lusaka, Zambia

Larry N Phiri (AUD/F000142)
Partner

Statement of Comprehensive Income for the year ended 31 December 2023

	Note	2023 ZMW'000	2022 ZMW'000
Revenue			
Rental income		3,081	-
Other income		-	-
Gross income		**3,081**	**-**
Less: Activity costs	8	865	-
Gross profit		**2,216**	**-**
Less:			
Operating expenditure	8	9450	-
Administrative expenditure	8	1,391	-
Excess of expenditure over income before finance costs		**121**	**-**
Net financing and investment income		-	-
Excess of expenditure over income after finance costs		**235**	**-**
Income tax @12.5		**385**	**-**
Net (loss)/profit - income over expenditure & tax		**(506)**	**-**

The notes on pages 16 to 42 are an integral part of the financial statements.

Statement of Financial Position as at 31 December 2023

	Note	2023 ZMW '000	2022 ZMW'000
Assets			
Non-Current Assets			
Property and equipment - Work in Progress	7	107,203	97,849
Property and equipment – Genset		1,297	-
Office equipment and furniture		49	-
		108,549	**-**
Current Assets			
Zesco power security deposit		200	-
Bank		527	-
Receivables		222	
Pre payment		30	
		979	**-**
Total Assets		**109,528**	**97,849**
Accumulated Funds and Liabilities			
Accumulated Funds			
Equity	9	**489**	**361**
Share premium		**97,360**	**97,488**
Returned earnings (loss)		**(506)**	
Shareholders' interest		**97,343**	**97,849**
Liabilities			
Non-current liabilities		**10,831**	**-**
Current	14	**1,334**	
Total Accumulated Funds and Liabilities		**109,528**	**97,849**

The financial statements set out on pages 16 to 42 which have been prepared on the going concern basis, were approved by the Board on __________________ and were signed on its behalf by:

Director

Director

The notes on pages 39 to 42 are an integral part of the financial statements.

Statement of Changes in Equity

	Share capital	Reserves	Total
	ZMW'000	**ZMW'000**	**ZMW'000**
At 1 January 2023	97,849	-	**97,849**
Sale of shares	-	-	**-**
Capital investment during the year	**-**	(506)	**(506)**
At 31 December 2023	97,849	**(506)**	**97,343**

The Company started trading in the second half and made a loss of ZMW150 thousand. Mainly due the nature of income tax on rental income which is based on the gross rental at 12.5%. There was no equity capital that was invested into the Company. The major shareholder, the Engineering Institution of Zambia (EIZ) invested in debt of the Company. The shareholding structure of company and equity distribution is as per bellow table.

The break down as follows:

Issued and fully subscribed shares:	**Number**	**Contributed ZMW'000**
Engineering Institution of Zambia (Issued and fully paid)	**48,174,826**	**96,350**
Engineering Institution of Zambia (un allotted shares but fully paid)	**0**	**0**
Various individuals	**749,531**	**1,499**
Total Allotted and unallotted Shares	**48,924,357**	**97,849**

The notes on pages 16 to 42 are an integral part of these financial statements.

Statement of Cash Flows

	2023 ZMW'000	2022 ZMW'000
Cash flows from operating activities	(506)	-
Tax payable provision	385	
Operating cash flows before movements in working capital	**121**	**-**
Changes in operating assets and liabilities		
Movement in receivables	**(222)**	-
Movement in payables	**949**	-
Net cash (out)/inflow from operating assets and liabilities	**576**	**-**
Cash flows from investing activities		
Investment in property	**(10,900)**	**(12,647)**
Net cash from investing activities	**(10,900)**	**(12,647)**
Cash flows from financing activities		
Capital injection loan received	**10,851**	**12,647**
Net cash flows from financing activities	**10,831**	**12,647**
Net cash inflow / (outflow)	-	**-**
Cash at the beginning of the year	-	-
Cash and cash equivalents at end of the year	**527**	**-**

The notes on pages 16 to 42 are an integral part of these financial statements.

Accounting policies

1 Incorporation and nature of operations

The Company was incorporated on 22nd January, 2014 with the principal activities of the organisation being investment and property development for the sole purpose of generating rental income.

The Company has not traded since incorporation.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies Act, 2017.

(b) Basis of measurement

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

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

(c) Use of estimates and judgements

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

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

Accounting policies *(continued)*

3 Material accounting policy information

a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is rental income arising from the lease of Company property.

Investment income

Investment income is accounted for on an accruals basis and relates to bank interest earned, and dividend income.

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

(b) Property and equipment

i) Owned assets

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

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

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

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

Accounting policies *(continued)*

3 Material accounting policy information

(c) Property and equipment *(continued)*

i) Owned assets (continued)

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

ii) Subsequent expenditure

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

iii) Depreciation

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

Current depreciation rates are as follows:

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

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

(d) 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.

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.

3 Material accounting policy information

(e) Intangible assets *(continued)*

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

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

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

(f) Inventories

Inventories are valued on a consistent basis at the lower of cost and net realisable value. In determining the cost, the first-in, first-out method is used and includes all costs incurred in bringing the inventories to its present location and condition.

(g) Trade and other payables

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

(h) Foreign currencies

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

Accounting policies *(continued)*

3 Material accounting policy information

(i) Financial instruments

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

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

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

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

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3 Material accounting policy information

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

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

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

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

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

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognised in profit or loss.

Financial liabilities measured subsequently at amortised cost

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

3 Material accounting policy inform

Financial liabilities measured subsequently at amortised cost *(continued)*

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

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

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

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

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

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

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

Accounting Policies (*continued*)

3 Material accounting policy information

(k) Provisions

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

(l) Revaluation

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

(m) Land under lease

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

(n) Cash and cash equivalents

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

(o) Impairment

(i) Financial assets

The carrying amounts of the Institution's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Calculation of recoverable amount

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised directly in equity to comprehensive income. The cumulative loss that is removed from equity and recognised in comprehensive income is the difference between the acquisition costs, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in comprehensive income. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

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

Accounting Policies (*continued*)

3 Material accounting policy information

(o) Impairment *(continued)*

Financial assets (continued)

Reversals of impairment
An impairment loss in respect of a held to maturity security or receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.
In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

(ii) Non-financial assets

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

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

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

Accounting Policies (*continued*)

3 Material accounting policy information

(p) Lease payments

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or a series of payments the right to use the asset for an agreed period of time. The classification of leases is based on the extent to which risks and rewards incidental to ownership of a leased asset are vested in the lessor or the lessee. Leases can generally be classified into two categories namely operating leases and finance leases.

A lease contract in which substantially all the risks and rewards of ownership remain with the lessor is classified as an operating lease, whereas, where a lease contract transfers substantially all the risks and rewards incidental to ownership to the lessee, it is classified as a finance lease.

Minimum lease payments under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Other leases are operating leases and the leased assets are not recognised in the Company's statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Accounting policies *(continued)*

4 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk,
- Liquidity risk, and
- Market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of members` funds.

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

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

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a member or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

Trade and other receivables

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

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

(b) **Liquidity risk**

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

Management of liquidity risk

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

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

(c) Market risk

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

(d) Currency risk

The Company is not exposed to currency risk.

Management of currency risk

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

The Company does not use any hedging strategies.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument or the future cash flows will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk.

Material accounting policy information

5 New Standards and interpretations

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

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

Standard	Requirement	Effective date
Amendment to IFRS 4 - Extension of the temporary exemption from applying IFRS 9	The IASB deferred the effective date of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. As a consequence, the Board extended the expiry date in IFRS 4 for the temporary exemption from IFRS 9 by two years to annual periods beginning on or after 1 January 2023.The extension maintains the alignment between the expiry date of the temporary exemption and the effective date of IFRS 17	Annual reporting periods beginning on or after 1 January 2023.
Amendment to IAS 1- Classification of Liabilities as Current or Non-current — Deferral of Effective Date	The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specifically that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the counterparty of cash, equity instruments, other assets or services.	Annual periods beginning on or after 1 January 2023. Earlier application is permitted. As a result of the covid-19 pandemic, the Board deferred the effective date of the amendments by one year to annual reporting periods beginning on or after 1 January 2024
Amendments to IAS 1, Presentation of financial statements and IFRS Practice Statement 2 - Making Materiality judgments – Disclosure of Accounting Policies	The amendments change the requirements of IAS 1 and are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.	Annual periods beginning on or after 1 January 2023. Earlier application is permitted and is applied prospectively.
IFRS 17 Insurance contracts	The standard takes the view that insurance contracts combine features of a financial instrument and a service contract, and that many generate cash flows that vary substantially over time. It therefore takes approach of: • Combining current measurement of future cash flows with recognizing profit over the period that services are provided under the contract • Presenting insurance service results (including insurance revenue) separately from insurance finance income or expenses, and • Requiring an entity to make an accounting policy choice for each portfolio whether to recognize all insurance finance income or expenses for the reporting period in profit or loss, or to recognize some in other comprehensive income.	Annual periods beginning on or after 1 January 2023

Definition of Accounting Estimates (Amendment to IAS 8)	In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS8. The amendments also clarified that effects of a changes in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors	Annual periods beginning on or after 1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12	In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognized simultaneously (e,g a lease in the scope of IFRS 16), The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.	Annual periods beginning on or after 1 January 2023

Material accounting policy information

5 New standards and interpretations

5.2 New *and revised IFRSs in issue but not yet effective*

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

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

Accounting Policies (*continued)*

Material accounting policy information

6 Critical accounting estimates and judgement in applying accounting policies

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

Business model assessment

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

Impairment losses on receivables

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

Accounting Policies (*continued*)

6 Critical accounting estimates and judgement in applying accounting policies (*continue*d)

Impairment of assets other than receivables

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

Fair value measurement

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

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

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

Fair value measurement

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

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

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

6.3 **Impact of the application of IFRS 16**

The impact of IFRS 16 on the Company has been assessed under note 5.5 (page 31) of these financial statements.

7. Property and equipment – Work in Progress

	2023			202 2		
	Cost / Valuation ZMW'000	Accumulated depreciation ZMW'000	Carrying value ZMW'000	Cost / Valuation ZMW'000	Accumulated depreciation ZMW'000	Carrying value ZMW'000
Capital work in progress	107,203	-	**107,203**	97,849	-	**97,849**
	107,203	**-**	**107,203**	97,849	**-**	**97,849**

Reconciliation of work in progress – December 2023

	Opening balance ZMW'000	Additions ZMW'000	Transfers/reclassification ZMW'000	Depreciation ZMW'000	Total ZMW'000
Capital work in progress	97,849	9,354	-	-	**107,203**
	97,849	**9,354**	**-**	**-**	**107,203**

Reconciliation of work in progress – December 2022

	Opening balance ZMW'000	Additions ZMW'000	Transfers/reclassification ZMW'000	Depreciation ZMW'000	Total ZMW'000
Capital work in progress	85,202	12,647	-	-	**97,849**
	85,202	**12,647**	**-**	**-**	**97,849**

7. Property and equipment – Work in progress *(continued)*

Work in Progress consists of **ZMW 107,182** being funds paid to the contractor, sub-contractor, consulting engineers and capital raise cost.

ACTIVITY	2023 ZMW'000	2022 ZMW'000
Balance Brought Forward at 1st January	**97,849**	**85,202**
Main Project Contractor		**307**
Electrical Sub Contractor		**-**
Consulting Engineers		**-**
Insurance		**50**
Capital Raise Costs & statutory fees (SEC, Legal Fees, Facility Fees, Loan Interest, ACSZ-Lease payments)	**3,722**	**3,714**
Air conditioners		**6,390**
Responsibility Allowances		**288**
Electrical materials & Office partitioning	**4,966**	**257**
AGM meeting costs		**18**
Directors' Board Meeting Allowances		**131**
Project Steering Committee Expenses		**18**
Clerk of Works	**666**	**669**
Works on access Road		**259**
Perimeter walls & Guard house		**130**
Compliance costs		**293**
Valuation		**-**
Other (ZESCO Connection, Lusaka Water Connection)		**124**
Total at 31st December	**107,203**	**97,849**

8. Operating and administrative expenditure

Note that 2022 cost were capitalized to increase the investment in work in progress.

ACTIVITY	2023 ZMW'000	2022 ZMW'000
Activity cost		
ACSZ land lease	697	0
LCC land rates	168	0
Sub total	**865**	**0**
Operational cost		
Electricity and water	488	
Building repair, maintenance and steering	23	**18**
Events	435	
	946	**18**
Administration cost		
Compliance	398	25
Responsibility Allowances	288	288
Finder fee	218	
Corporate governance Directors Board Meeting Allowances and Travel	159	131
Insurance	70	
Salaries and wages	69	
Cleaning	23	
Audit	48	
Consultancy	112	
Phone and bank charges	6	
	1,391	**444**
Total	**3,202**	**463**

Notes to the financial statements *(continued)*

9. Equity

	2023	2022
Share capital		
Authorised	**ZMW**	**ZMW**
150,000,000 (2021: 150,000,000) ordinary shares of ZMW 0.01 each	**1,500,000**	**1,500,000**
Issued and fully paid		
48,924,357 (2022- 48,924,357) shares at ZMW 0.01 each		
Engineering Institution of Zambia 48,174,826 (2022- 48,174,826)	481,748	481,748
Various EIZ Members 749,531 (2022- 749,531)	7,496	7,496
	489,244	**489,244**

10. Financial risk Management

Management of liquidity risks

Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit.

11. Capital Commitments

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

12. Contingent liabilities

There are no known contingent liabilities at 31st December 2023. (Nil: 2022).

13. Related party transactions

Related party relationships

The Directors, and the Engineering Institution of Zambia (EIZ) are related parties.

Related party transactions

During the year the following related party transactions were recorded:

(a) An inter company loan of ZMW 10.83 million was obtained by direct investment in the project and equipment purchase.
(b) Directors' fees of ZMW 159 thousand,367 (ZMW 131 thousand in 2022).

(c) Responsibility allowances paid to EIZ of ZMW 288 thousand (ZMW 288 thousand in 2022).

14. Liabilities

Non-Current Liabilities	2024	2023
	ZMW'000	ZMW'000
EIZ inter-company Loans	10,830	-
Current Liabilities	ZMW'000	ZMW'000
Prepaid Rent	56	-
Security Deposit	160	-
EIZ	626	-
Tax	385	-
Accounts payable	107	
	1,334	-

Notes to the financial statements *(continued)*

15. Comparative figures

Where appropriate comparative figures have been reclassified to achieve meaningful comparison with the current year.

15. Events after the reporting date

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

As the COVID-19 pandemic is complex and rapidly evolving, Management cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on funding for the Company. The Company depends on funding from Engineering Institution of Zambia (EIZ) for construction of its offices. The extent to which the coronavirus pandemic will impact funding provided by EIZ, is at the date of signature of these financial statements, highly uncertain and cannot be predicted with confidence.