



Zambia Institute
of Purchasing
and Supply

Learn. Serve. Prosper.



14th
ANNUAL
GENERAL MEETING
2022

**7TH OCTOBER, AVANI VICTORIA
FALLS RESORT - LIVINGSTONE**



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ABout US



The Zambia Institute of Purchasing and Supply is a professional body established by an Act of Parliament No.15 of 20th September, 2003. The Institute regulates matters of professionalism, ethics, training and conduct of the Supply Chain Management in Zambia.

Structurally, ZIPS is organised around the membership which is the highest decision making body followed by the Council which is the policy making and governing body of the Institute; and the secretariat which is responsible for running the day-to-day affairs of the Institute and facilitating the efficient and effective administration of ZIPS matter

Vision

A leader of Excellence in Supply Chain Management



An Institute for regulating, training and upholding professional standards of its members and other stakeholders in Supply Chain Management

Values

ZIPS has these values to guide the culture and behaviour of its management and staff:
Professionalism, Collaboration, Innovation,
Transparency, Accountability, Equity, and Integrity



Mission

Mandate

ZIPS is a public entity established under the "Purchasing and Supply Act No.15 of 2003" to promote "learning, development of best practices, and application of the same to the practice of procurement and supply chain management". It licenses and regulates the purchasing and supply profession in Zambia. Anyone that practices purchasing and supply in Zambia must be registered by ZIPS and pay annual subscription fees and other prescribed fees

Our Objectives

The Institute's strategic objectives are :-

1. Enhanced governance, legal and regulatory framework and developed organisation wide systems for effective service delivery in areas of human, financial, administrative and logistical services.
2. Established organisation systems and enhanced institution development to promote partnerships and networking.
3. Enhanced Financial Wellness and Resource Mobilisation for sustenance of ZIPS
4. Improved image of ZIPS Professionals and enhanced visibility of the Institute to stakeholders.
5. Developed integrated technological environment and infrastructure to support quality service delivery.
6. Developed and well-coordinated education, training, research and development protocols for the benefit of all stakeholders

NOTICE OF 14TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 14th Annual General Meeting (AGM) of the Zambia Institute of Purchasing and Supply (ZIPs) will take place on Friday, 07th October 2022 at 09:00 at the Avani Victoria Falls Resort in Livingstone.

The AGM will be preceded by a two-day 10th Annual National Conference to be officially opened on Wednesday 05th October 2022 by the invited Guest of Honour, His Excellency, The President of the Republic of Zambia, Mr Hakainde Hichilema. The order of proceedings and business to be transacted will be as below:

AGENDA

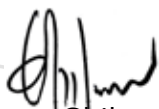
1. National Anthem and Opening Prayer
2. Constitution of the Annual General Meeting by the ZIPs President
3. Apologies
4. Members obituaries and observe minute of silence.
5. Consideration and Adoption of Minutes of the 13th Annual General Meeting held in Livingstone at Avani Victoria Falls Resort, on 08th October 2021.
6. Matters arising from Minutes of 13th Annual General Meeting.
7. President's report for the period October 2021 to October 2022.
8. Receive and adopt the Audited Financial Statements for the year ended 31 December 2021.
9. Appointment of Auditors
10. Ratification of the ZIPs strategic Plan (2022-2026)
11. Ratification of Adjusted Allowances for various ZIPs Committees
12. Receive report on the Secretariat Acquisition Project
13. Conferment of ZIPs Fellowship on members.
14. Vote of Thanks
15. Dissolution of 14th Annual General Meeting.
16. Closing Prayer and National Anthem.

Note: Minutes of the 13th AGM and the Audited 2021 Financial Statements have been emailed to all fully paid members.

Dress Code: Formal or ZIPs Branded Attire.

Attendance to the AGM is open to all FULLY PAID MEMBERS.

By Order of the Council



Lennox Chilwa
Secretary

Issued at Lusaka, Zambia on 15th September 2022

Minutes of the 13th Annual GENERAL MEETING

held at Avani, Victoria Falls Resort, Livingstone



1. Attendance

1.1 Council members present

1. Chibwe D. Mwelwa President
2. Noel Sandukiya Vice President - South
3. James Mwaba Vice President - North
4. Mary Banda Treasurer
5. Idah Chella Director General- ZPPA
6. Mumba Chanda Deputy Accountant General – Ministry of Finance
7. Phidelia Mwaba Chamber of Commerce and Industry
8. Maureen Banda Legal Counsel – Law Association of Zambia
9. Daniel Kabamba Secretary

1.2 Members attendance

The full list of attendance is contained in the attendance list Annexure 2

1.3 In attendance

1. Lawrence Mpapwa Sambwa Registrar
2. Isaac Nshimbi Finance Manager (former)
3. Given Ncube RSM Zambia – Partner
4. Kabwe Malama RSM Zambia – Auditor

2. Call to order

The 13th Annual General Meeting (AGM) of the Zambia Institute of Purchasing and Supply (ZIPS) was called to order by the president, who also chaired the same meeting, Mr. Chibwe D. Mwelwa at 10:20 hours.

3. Opening remarks

The president welcomed all the delegates to the AGM. He informed the meeting about the proceeding of the business among them holding of election to usher in new council members under a total adherence to all clauses of the ZIPS Act No.15 of 2003 and the 11th AGM of 2019. The president thanked members of the institute for continuous support and fostering of the prosperity of ZIPS.

4. Adoption of the Agenda

Business of the AGM was adopted through the agenda which was proposed by Mr. Winwell Siame and was seconded by Messrs. John Mwelwa and Akakolwa Mundia as follows:

- 4.1 Call to Order
- 4.2 National Anthem and Prayer
- 4.3 Welcome Remarks by the Registrar
- 4.4 Constitution of the Annual General Meeting by the President
- 4.5 Declaration of Interest
- 4.6 Apologies
- 4.7 Adoption of the Agenda
- 4.8 Obituary and observance of a minute of silence
- 4.9 Consideration and confirmation of the Minutes of the 12th Annual General Meeting (AGM) held in Livingstone at the Avani Victoria Falls Resort on 12th November 2020

- 4.10 Matters Arising from the Minutes of the 12th AGM
- 4.11 President's Report for the year ended 31st December 2020
- 4.12 Receive and adopt the Audited Financial Statements for the year ended 31 December 2020.
- 4.13 The Appointment of Auditors for the period 31 December 2021 to 31 December 2023 and determination their remuneration
- 4.14 Conferment of ZIPS Fellowships
- 4.16 Dissolution of the Council
- 4.17 Elections for the new Council
- 4.18 Hand over speech from the outgoing President
- 4.19 Inaugural speech the Elected President
- 4.20 Vote of Thanks
- 4.21 Dissolution of 13th Annual General Meeting by the Elected President.
- 4.22 Closing Prayer and National Anthem.

5 Obituary

The meeting was made aware of a some of its members who passed on during year under review, therefore, a moment of silence was observed in respect of the departed dear members.

6 Consideration and confirmation of the Minutes of the 12th Annual General Meeting (AGM) held in Livingstone at the Avani Victoria Falls Resort on 12th November 2020

6.1. Corrections

6.1.1 On page 4, item 7.9, curtesy was corrected to read "cartesy"

6.2. Adoption of minutes

The minutes of the 12th AGM of 2020 were proposed for adoption by Mr. Polite Hamaleka and was seconded my Mr. Ernest Nyambe.

7 Matters Arising from the Minutes of the 12th AGM

- 7.1 On the construction and or ownership of ZIPS Secretariat, it was reported that negotiations to buy the current offices where Secretariat was housed were concluded. Part of the funds were raised and meeting was informed that K800,000.00 was raised and safely kept in the separate bank account at 8% negotiable interest.
- 7.2 Considering the concerns from members on the high value of the offer to procure secretariat, meeting mandated secretariat to look for alternative means of constructing secretariat.
- 7.3 Meeting heard that a total number of 135 students graduated and that there was an increase in the number of students who graduated from 2019 and 2020.
- 7.4 Meeting resolved to consider various means of raising funds for the construction of secretariat.
- 7.5 Meeting heard that there 34 Fellow members and 7 Honorary Fellow Members.

7.6 Meeting was informed that a Memorandum of Understanding was signed between ZIPS and Zambia Institute of Human Resources Management..

7.7 Meeting was informed that a Memorandum of Understanding was ready to be signed between ZIPS and office of the Auditor General.

7.8 Meeting heard the membership data base information management system was procured by ministry of Finance for ZIPS at ZMK400,000.00 and was launched by the institute.

7.9 It was reported that allowances for meetings were high because of the big number of both permanent and ad hock committees. It was heard further that following the employment of new Registrar, modalities would be put in place to allocate some responsibilities to Secretariat.

7.10 The meeting was informed that ZIPS regulations were presented to the Ministry of Justice through Ministry of Finance and were reviewed. The Ministry of Justice advised ZIPS to quicken amending the ZIPS Act because most of the contentious matters were highlighted in the draft regulations. The Ministry of Justice offered to draft the ZIPS amendment bill and on parallel ZIPS obtained quotations from independent bill drafters.

7.11 The meeting heard that the Institute signed an MOU with Commerce Edge to conduct proficiency assessment examinations for candidates to qualify to be Members of the institute.

7.12 The meeting was informed that Secretariat was operating independent form interference from the Council.

8 President's report

The Presidential report was delivered by the outgoing President Mr. Chibwe D. Mwelwa. The report highlighted the following:

8.1 ZIPS Secretariat

Two former Registrars Mr. Henry Chanda and Mr. Francis Kunda among many other members passed on and on whom a moment of silence was observed. Mr. Lawrence Sambwa was recruited as a new Chief Executive Officer.

8.2 Oversight and Operational Functions of the Institute

The Council continued to provide oversight function as its strategic responsibility. It was also heard that secretariat had engaged the Cabinet Office to facilitate review and update the strategic plan and that the process to review the ZIPS Act reached an advanced stage.

8.3 The Composition of Council

The Council members compost of the following:

8.3.1 Mr. Chibwe D. Mwelwa (ZIPS President & Chairman)

8.3.2 Mr. Noel Sandukiya (Vice President –South)

8.3.3 Mr. James Mwaba Junior (Vice President – North)

8.3.4 Mr. Daniel Kabamba (Council Secretary)

8.3.5 Ms. Mary Banda (National Treasurer)

8.3.6 Ms. Idah C. Chella (ZPPA)

8.3.7 Mr. Mumba Chanda (Ministry of Finance)

8.3.8 Ms. Phidelia S. Mwaba (Zambia Chamber of Industry: ZACCI)

8.3.9 Mr. Patrick Tembo (Zambia Federation of Employers)

8.4 Secretariat Staff Establishment

The workforce of the institute grew from 6 to 16 in 2015 to 2021 respectively with the opening of two satellite offices in Kitwe and Choma.

8.5 Secretariat Building and Regional Office

The 11th AGM which was held in Kitwe resolved to adjust membership fees upwards only to raise funds for the acquisition of secretariat. It was further reported that K800,000.00 was realized.

8.6 Membership Base The memberships of the institute had grown from 4000 to 10,000 members at the end of 2021.

8.7 Compliance Activities

Compliance was intensified in 2015 when the outgoing executive took over by creating a Compliance Committee which did a lot of work.

8.8 Compliance Manual

During the period under review, the institute developed a very comprehensive Compliance Manual meant to guide the compliance activities.

8.9 ZIPS Education Program

ZIPS Education program, which was both a sustainability and the mainstay mandate of the Institute was strongly placed on the pedestal of procurement emancipation in Zambia. It was further reported that there were 2,500 students across the 13 Colleges under the TEVETA controlled institutions and graduation was held consistently.

8.10 ZIPS 9th National Conferences

The 11th AGM in Kitwe resolved to hold the AGM and the national conference at the same period and place to increase the enhanced member participation at the AGM due to economies of scale.

8.11 Procurement day and Corporate Social Responsibility

The procurement day was established to commemorate the date when the ZIPS Act was assented to. It was also reported that the Corporate Social Responsibility was introduced and continually held for six years. The Council adopted ward D Block at the University Teaching Hospital where the Institute will be cleaning and assisting with medicines. Meeting was also informed that five (5) scholarships were awarded to deserving pupils to pursue Purchasing and Supply Diploma upon completion of their grade 12 qualification at Fountain of Hope Orphanage (FOP).

8.12 Memorandum of Understanding (MOU)

During the period under review, the institute generated below MOUs:

8.12.1 ZIPS /ZPPA

On 14th May 2017, the two great procurement organizations signed an MOU for the purpose to create a huge platform for bringing supply chain profession to a great podium in public procurement organizations and economic management process. Additionally, the MOU ensured that both provisions of the PPA and ZIPS Acts were fathomed accordingly.

8.12.2 ZIPS / Commerce Edge

On 1st June of 2021, the institute signed an MOU with Commerce Edge from South Africa. The MOU was for a purpose of managing, training and helping in the establishment of Examinations' scheme for any person wishing to become a member of the institute as per the ZIPS Act number 15 of 2003.

8.12.3 ZIPS/Zambia Institute of Human Resource Management (ZIHRM)

It was reported that on 20th May 2021 the MOU between ZIPS and ZIHRM was duly signed. The MOU had augmented the collaboration in ensuring that supply chain practitioners were recruited in all procurement and supply functions across the nation.

8.12.4 ZIPS and Education Providers of Education

On various dates and times, the institute signed 13 (Thirteen) MOUs with various TAVETA controlled Educational Colleges in managing ZIPS Diploma courses in Zambia.

8.12.5 ZIPS / Auditor General Office (AG)

The MOU with the Auditor General was scheduled to be signed in October 2021. It was justified that the MOU would deal with many queries that relate to the Procurement and Supplies function contained in the Auditor Generals' report and that the MOU would create an opportunity for the Institute to partner with the AG's office in fostering value addition in the public procurement process.

8.13 ZIPS Fellow Membership

In the past three years Fellow membership accreditation was introduced, award manual was developed which saw 31 members being conferred with Fellow membership of the Institute.

The meeting was informed that ZIPS never had any one declared ZIPS Fellow conferred by the institute except those that transitioned from the Chartered Institute of Procurement and Supply.

8.14 Courtesy Calls

During the period under review, the Institute embarked on an aggressive courtesy call drive that resulted into a litany of collaborative courtesy calls in the last six years. Courtesy calls were paid on over 15 ministers that included the Minister of Finance, visited 10 Permanent Secretaries, the Auditor General and Accountant General on several occasions which championed the importance of Procurement and Supply in Zambia.

8.15 Appearances on print and electronic media

The institute was now relatively visible countrywide adding that the institute had aggressively, stepped up on both print and electronic media presence, attainment of the ZIPS Mandate as enshrined in the ZIPS Act and also critical for the augmentation of compliance levels.

It was further heard that ZIPS featured on many Radio and Televisions stations and provided articles in Zambian newspapers and beyond.

8.16 Stakeholders engagements

8.16.1 Republican President

On 29th October 2020, the institute paid a courtesy call on the former Republican President His Excellency, Mr. Edgar Chagwa Lungu. He went on to disclose that the momentous meeting was very cordial, and the President was elated by the visit and implored the procurement and supplies professionals to acquaint themselves on value addition in the procurement process. He further, informed meeting that ZIPS had requested to meet the current Zambian President Hakainde Hichilema was submitted to State House.

8.16.2 Secretary to the Cabinet

The Institute met the Secretary to the Cabinet on many occasions to discuss several issues that underpin the procurement and stores functions in Zambia. The meetings discussed the elevation of the procurement function in Zambia and the potentials of having a Permanent Secretary, Procurement General and Procurement Directors to oversee the procurement function in Zambia (Public & Private).

8.16.3 Secretary to Treasury

The institute met the former Secretary to treasury to discuss the possible way of returning stores to procurement. The Secretary to Treasury who was accompanied by the Accountant General and the Permanent Secretary for Finance assured the institute that the matter would be dealt with as it received utmost attention.

8.17 Consultative Meeting

It was reported that the institute had several engagements with stakeholders in shaping the public Procurement bill and that most of the institute's contributions had helped massively in re-shaping of the architecture of the public procurement bill which resulted into Public Procurement Act, 2020.

8.18 Appearance before the Parliamentary Select Committee

During the last 17 years, the institute appeared twice before, the parliamentary Select committee. The first one was done in 2003 and the second one was made last year in 2021 during the creation of the current Public Procurement Act.

8.19 ZIPS Sub-Committees

During the period under review, the institute operated with a number of committees being:

1.0 Disciplinary Committee: Headed by Mr. Teddy Mulonga

2.0 Finance Committee: Headed by Ms. Mary Banda (National Treasurer)

- 3.0 Marketing and Publicity Committee: Headed by Mr. Mwawi Abel Phiri
- 4.0 Profession and Training Committee: Headed by Mr. James Njolomba
- 5.0 Executive Management Committee: Headed by the Mr. Chibwe D. Mwelwa (ZIPS President)
- 6.0 The Presidential Advisory Committee: Headed by Ms. Lilian Shakeemba
- 7.0 The ZIPS Journal Editorial Board: Headed by Mr. Paul Magiya Manda
- 8.0 The Student Chapter Affairs Committee: Headed by Ms. Lusungu Siame
- 9.0 Land Acquisition and Building Committee: Headed by Ms. Beatrice Mbewe

8.20 Achievements in the last Six years

ZIPS recorded a number of achievements during the period of six (6) years, it:

8.21 Created and launched the current ZIPS Rebranding: logo, new Vision and new Strategic and Marketing Plan;

8.22 Created DIPLOMA courses and conducted the first well-organized graduation ceremony and subsequent ones;

8.23 Created ZIPS fourteen (14) WhatsApp group, Facebook.

8.24 Obtained the first-time government grant of ZMK 50,000.0 per month.

8.25 Created of 10 chapters in all the provinces and appointed leaders who had realized great achievements.

8.26 Created further two offices for ZIPS in Choma and Kitwe;

8.27 Grew ZIPS membership at 60% from 4000 to 10,000.

8.28 Created many ZIPS Sub-Committees which had helped in managing the institute effectively.

8.29 Caused the presence of ZIPS in every sector of Zambia, today the ZIPS institute is known across the length and breadth of Zambia;

8.30 Introduced first ever ZIPS Fellowship program and in the last three years with 31 members awarded Fellows since 2003 when the Act was formed;

8.31 Created Southern Africa procurement Chapter in Africa comprising Malawi, Zimbabwe, South Africa, Namibia, Tanzania and Uganda. ZIPS on behalf of Zambia held the first conferences represented by two presidents, Zambia and Malawi by Ministers of Finance Hon. Mrs. Margaret Mhango Mwanakatwe and Hon. Goodall Edward Gondwe

8.32 Exponentially increased of Conference and AGM attendance from 2016 to date from 120 to 1,000,000 people and from 40 to 300 members, respectively;

8.33 Invited to the Conference the Presidents of Zambia as Guests of Honor, Dr. Edgar Chagwa Lungu and Mr. Hakainde Hichilema in 2020 and 2021 respectively, various Zambian Ministers (Finance, Commerce, Transport and Communication, Works and Supply, Southern Province, Luapula Province) and Minister of procurement from Ghana.

8.34 Accredited CBU, UNILUS, ZIPS Diploma and Mulungushi University to membership qualification which added to CIPS Qualification which was done in 2004.

8.35 Introduced degree in procurement and Supply at the Copperbelt University.

8.36 Created many and critical MOUs to help in the realization of ZIPS mandate as enshrined in the Act.

8.37 Raised ZMK 800,000.00 towards the building of ZIPS House.

8.38 Put in place various policies and procedures.

8.23 Conclusion

The president concluded by reiterating a clarion call on all procurement and supply professionals in Zambia and beyond to continue supporting the noble and important profession unwaveringly.

9 TREASURER'S REPORT

The treasure presented financial report to the AGM in line with financial reporting standards. Statements were reported in Zambian currency

9.1 Statement of Financial Position

Assets	2020	2019
Non-current assets	109,210	2 26,804
Current Assets`	2,084,080	1,782,566
Total	2,193,290	2,009,370
Liabilities		
Member funds	636,963	73,774
Non-current liabilities	286,328	471,937
Current liabilities	1,269,999	1,463,659
Total Liabilities	1,935,596	1,935,596
Total equity & Liabilities	2,193,290	2,009,370

9.2 Statement of Profit and Loss

Income	6,298,872	7,947,757
Direct Cost	(2,091,297)	(3,713,849)
Gross profit	4,207,575	4,233,908
Other operating income	303,734	3 64,974
Operating expenses	(4,273,550)	(4,872,662)
Operating profit (loss)	237,759	(273,780)
Profit (loss) for the year	237,759	(273,780)
Total comprehensive income	237,759	(273,780)

9.3 Statement of cash flow

Cashflow activities		
Cash generated from operations	822,181	482,514
Cashflow from investments		
Purchase of property	15,400	131,710
Cashflow from financing activities		
Capital reserves	3 25,	-
Amortisation capital grant	(185,609)	(185,609)
Net Cashflow financing activities	139,821	(185,609)

Cash movement for the year	946,602	165,195
Cash at beginning of year	349,136	183,941
Total Cash at end of the Year	1,295,738	349,136

9.4 The financial report was presented by the auditors to the AGM as UNQUALIFIED

9.5 The meeting heard that report was presented in line with required Corporate Governance.

9.6 In the current liabilities, the meeting was informed that some members paid for their membership in advance before the actual financial year.

9.7 Meeting resolved those future financial reports on expenses would require separating meeting expenses as per the type of meeting.

9.8 Meeting was informed that membership subscriptions that were adjusted upwards would be reduced to usual subscription once Secretariat was purchased or constructed. It was further, clarified that the upward membership adjustment was temporal as the increased amount was only meant to raise funds for acquisition of Secretariat.

9.9 Meeting heard that the amount available in the account as at the AGM was K2,000,000 and K800,000 for the acquisition of secretariat

9.10 Meeting resolved to relocate secretariat to a cheaper place as the current rental were on the higher side considering prevailing market rates.

9.11 The AGM heard that ZIPS was not in debt as its debt balance was zero

9.12 The Treasurers Report was proposed for adoption by Mr. Brian Kambole and was seconded by Ms.

10.0 APPOINTMENT OF THE AUDITORS

The Meeting resolved to give a one-year appointment of RSM Zambia as auditors for the Institute for the year 2021. It was further, agreed that the 13th AGM would appoint new auditors upon the recommendations from the Council. The motion was proposed for adoption by Dr. Jones Kalyongwe and was Seconded by Ms. Beenzu Simfunkwe.

11.0 DISSOLUTION OF THE COUNCIL

The president thanked all the outgoing Council Members for their commitment to serving the institute. He also advised the incoming Council members to be united and push the agenda of the institute forward. He emphasised the need to maintain the achievements recorded so far and build on them. The Council was therefore, dissolved at 13:40 hours.

Daniel Kabamba
SECRETARY

Chibwe D. Mwelwa
PRESIDENT

ITEM	MINUTE	ACTIVITY	STATUS
1	7.1	Acquisition of Secretariat offices	The current Secretariat was procured in 2022 at a total cost of K3,620,476.00
2	7.3	135 students graduated in 2020	Total number of students graduated in 2021 is 83
3	7.4	Identification of various activities to raise funds for secretariat acquisition	K800,000.00 was raised through membership contribution.
4	7.7	Memorandum of understanding with the Auditor General was ready for signing.	The MOU was signed on 9 th September, 2022
5	7.8	Information management system which was bought by World Bank at K400,000.00 through Ministry of Finance was launched in 2018	Since 2018 the Information management system not been functional except the website.
6	7.9	Higher expenditure on meetings various committees for 2019 was 797,292 and in 2020 was 474,849	Meeting expenses for 2021 was K515,074.00
7	7.10	Quotations for engaging ZIPS bill were obtained in 2021 and Ministry of Legal offered to draft the Bill	An adhoc committee was put in place to relook into the review of the Act in November, 2021.
8	8.2	ZIPS engaged the Cabinet Office to assist in updating the Strategic Plan which expired in 2019	The strategic plan was developed in house in 2022
9	8.4	Workforce at Secretariat was 16	Total number of staff is 16 with the employment of the Education manager and membership/ compliance manager
11	12.1	Courtesy call on President Hakainde Hichilema was requested in 2021	Request response to pay a courtesy call on the President is being waited.
12	12.2	Meeting was held with secretary to Secretary for the restricting to	Upgrade of procurement heads to Directors and establishment of procurement

		procurement to include Directors of procurement and introduce Procurement General	General position is being pursued.
13 1	2.3	Meeting with Secretary to Treasury was held for the possibility of returning stores to Procurement	The matter of returning stores from finance to procurement has continued to be pursued
14 1	4.18	The Institute established various policies, guidelines, and manuals	The various policies, procedures and manuals that are in place are: 1. Chapter operations manual, 2. Finance and administration manual, 3. Graduation manual, 4. Fellowship award manual, 5. procurement manual, 6. Marketing strategy, 7. Brand manual, 8. Sustainable Strategy 9. Members disciplinary procedures, 10. Secretariat disciplinary and grievance procedure, 11. Election's procedures, 12. Compliance manual, 13. Examinations guideline
15 1	6.8	Adjustment of Membership subscription fees after the purchase of Secretariat as per resolutions of 2019, 11 th Annual General Meeting.	Following the purchase of ZIPS Secretariat, Membership Subscription for 2023 going forward shall be reduced as follows: Fellow Members from K3000 to K2000 (a) Member from K1,200 to K800 (b) Affiliate from K900 to K650 (c) Associate from K7,500 to K4500 (d) Student from K200 to K175
16 1	6.10 R	Relocation of Secretariat to a cheaper place	Secretariat is located at the same place which was bought by ZIPS.
17 1	7	Meeting resolved to award a one year contract to the Auditors	The 2022AGM shall appoint a new auditor as resolved.





Dear Members,

I am happy to welcome you all to the 14th Annual General Meeting of our institute, the Zambia Institute of Purchasing and Supply. On behalf of the Council and Management of the Institute, I thank you for joining us today. Your presence here is a testimony to your interest and support to the Institute

As you all know, ZIPS was started in the year 2003 with the first AGM taking place at the Taj Pamodzi Hotel in May 2005 attended by 105 Members. Over the years the number of AGM attendees has tripled, attesting to the growth of the Institute. This growth would not have been possible without your untiring commitment.

Like other AGMs in the past, this year's meeting presents an excellent opportunity for you our dear Members to deliberate on the affairs of the Institute. As always been the case your ideas and input have been the bedrock that strengthened the Institute and it is hoped that you will take the liberty to express yourselves fully.

Wishing you fruitful discussion.

Lawrence Mpapwa Sambwa
REGISTRAR



Zambia Institute
of Purchasing
and Supply

Learn. Serve. Prosper.



Fellow
Robert Tembo
PRESIDENT

2022

ZIPS President's Report

1.0 Preamble

Distinguished ladies and gentlemen, a warm welcome to the 14th Annual General Meeting of the Zambia Institute of Purchasing and Supply. It's indeed a great testament of commitment to our shared profession for you to take time off your busy work schedules and travel a long way to deliberate matters pertaining to the welfare of the Institute. On behalf of the Zambia Institute of Purchasing and Supply (ZIPS) Council, it is a great honor and delight for me to make my maiden address to the ZIPS AGM. It is indeed a great privilege to stand among the leaders and captains of our noble profession from all the corners of our great country to shed light on what we have as achieved since coming into office, the challenges faced and how we envision the future.

• **Minute of Silence**

It always gives us great pleasure to share happy moments. Unfortunately, our plans are not God's plan. Some great friends and members of the profession who we looked forward to see and talk to today, departed to be with the Lord in different circumstances. The names of the departed friends were shared and the Council wishes to thank you for the support rendered to their families.

In remembering our colleagues, let us all stand and observe a minute of silence.

• **ZIPS Legal Framework**

The legal framework in which our Institute operates is the ZIPS Act No. 15 of 2003. The said law has been the bed rock of the Institute's mandate and operations from the Institute's inception. It is the Council's commitment to continue executing the mandate of the Institute as enshrined in the law.

• **Continuity by New Council**

As a new Council, we are grateful for the many successes that the previous executives scored. We are also recognizant of the immediate executive and how they tirelessly made the profession visible.

The role played by the very first pioneers of supply chain in Zambia and the different Councils have been building blocks to the success we see today. You too, as the general membership, have continued to give morale to continue with the noble profession.

Their numerous successes provided building stones for the newly mandated Council to stand on. Suffice to mention that this Council did not start from nothing and in this light duly acknowledges the contribution of the past Council.

2.0 Office Bearers

Ladies and gentlemen, the elective AGM of October 2021 put into office a new ZIPS Council with the additional members drawn from different organizations in line with ZIPS Act being appointed in the months of November 2021. We count it an honor and privilege to be of service to our chosen profession.

May I take this moment to introduce the members of the current Council who are as follows:

Mr. Robert Tembo - ZIPS President

Mr. Charles Mwanza - Vice President

Mr. Ernest Washens Nyambe – National Treasurer

Mr. Lennox Chilwa - Council Secretary

Ms. Viola Zulu – Vice Council Secretary

Mr. Justin Matimuna - ZPPA

Mr. Kabwe F. Kabaso - Ministry of Finance

Mr. Phil Daka - Zambia Chamber of Commerce and Industry

Mr. Patrick Tembo -Zambia Federation of Employers

Mrs. Ngosa Simachela – Law Association of Zambia

Martin Van Buren once said and I quote "It is easier to do the job right than explain why you didn't do it." As your ZIPS President I choose to do the job right.

Colleagues and friends we must adjust to changing times and still hold on to changing principles of integrity and ethical procurement this is the key to sure success of ZIPS.

3.0 Secretariat Establishment

Distinguished guests and dear members, the current staff complement of the ZIPS Secretariat is 16. This lean staff complement under the leadership of the Registrar has committedly on a daily basis run with and implemented the vision of the Council and I take this opportunity to commend and applaud them for all their efforts.

4.0 Milestones Reached in the Period Under Review

Distinguished Guests and fellow members of our noble profession, permit me now to share with you some good news. I am particularly mesmerized to announce some of the success stories we have achieved in the last twelve months. Of great importance are the following:

4.1 Strengthening of the ZIPS Secretariat

In a bid to strengthen the secretariat, Council devolved authority of administrative matters to Management. This was aimed at ensuring that Council focused on policy while Management's focus is administrative. This was meant to enhance efficiency and strengthen corporate governance.

Additionally, the Education, Membership and Compliance Unit has been split into separate

units namely Education and Training Unit and Membership and Compliance. The creation of two distinct units is meant to strengthen the operations and promote efficiency.

As funds permit, the Council shall continue to reorganize and realign the operations of the Secretariat in line with the best corporate practices for professional bodies.

4.2 Formulation of 2022 – 2026 Strategic Plan

Upon assumption of office of your Council, one of the matters requiring urgent attention was the formulation of a strategic plan as the previous one had expired in 2019. The Council appointed an adhoc committee led by Mr Justine Mwiinga which formulated the 2022 -2026 Strategic Plan. The plan was launched by the Minister of Finance Honorable Situmbeko Musokotwane on 25th February, 2022. The importance of having a strategic plan cannot be over emphasized as it sets the strategic direction of the Institute for the foreseeable future.

4.3 Purchase of the building that houses the ZIPS Secretariat

The past Council's left **K800, 000.00** in the coffers specifically ring fenced from deductions from the increase in member subscriptions for the acquisition of ZIPS house. Your new Council undertook fund raising activities which yielded substantial returns which Council resolved to apply to the purchase of the property that houses the ZIPS secretariat together with ring fenced amount. The property that houses the ZIPS Secretariat was purchased at a cost of **K3, 620,476.00**.

I would like to extend the Council's gratitude to the Ministry of Finance who assisted with a sum of **K499,376.00** to help towards the VAT component of the property.

The purchase of the office building is of great importance in the journey of the institute despite the fact that in the short term, it emptied the coffers. The huge saving arising from the non-payment of rentals means that the Institute can now focus on greater things in the near future such as operationalization of the center of excellence, strengthening compliance activities, increased collaborations with the chamber of commerce, Institute of Directors, the ZPPA and employing critical human resource.

4.4 National and International Collaborations

In the period under review, the Institute entered into Memoranda of understanding with key institutions namely:

- **MOU with the Office of the Auditor General** was entered into on 9th September, 2022 with the purpose of networking on matters of common concern and interest.
- **MOU with the Chartered Institute of Purchasing and Supply** was signed on 23rd August, 2022. One of the chief aims of the said MOU is to work towards the accreditation of the CIPS qualification by the Zambia Qualifications Authority.
- The Institute has signed a memorandum of Understanding with **Choma Trades in Southern Province** which is aimed at expanding and growing the education programme.

4.5 Other Achievements

Other achieved during the year under review include:

- Review of the ACT 2003, which is now at draft stage and stakeholder engagements;
- Membership upgrades to MZIPS and Fellowship;
- Review of the ZIPS Curriculum to level 6 and its subsequent approval;
- Review of the Manuals; and
- Review of the colleges and university curriculum relating to the Supply Chain

Even as I stand here announcing the success stories, I am mindful that this could not have been possible without your contribution and support. In support of the Council, the Secretariat and the profession, some of you quietly advised us on how to tie the ropes while others were cheer-leaders. Such great commitment deepened our passion and desire to put in more work knowing any success we score today shall mean a better future tomorrow.

5.0 Stakeholder Engagement

The Institute has continued to engage various offices within and outside Government on matters relating to supply chain. Some of the institutions include:

- Secretary to Cabinet;
- Ministry of Finance;
- Ministry of Local Government and Rural Development;
- Cabinet Office - Management Development Division;
- Zambia National Broadcasting Corporation;
- Zambia National Building Society;
- Office of the Auditor General;
- Zambian Breweries;
- Ministry of Tourism;
- Central Provincial Administration;
- Eastern Provincial Administration; and
- Southern Provincial Administration.

This list is not exhaustive and neither is this the end of it all.

The key themes of interest for engagement have revolved around:

- Having an anchor for procurement within the government structures;
- Possible upgrading of the procurement function;
- Changing the narrative of the supply chain;
- The rightful position of the Stores function;
- Matters of influence peddling;
- Delays in the Procurement Processes due to, too many layers of seeking approval authorities: Ministry of Finance and National Planning, Attorney General Office and ZPPA under the MPI and PRA

- Enhancement of the Constituency Development Fund (CDF) and structural alignment of the Local authorities

These engagements yielded various positive results such as: reduced approval process by decentralising some of the approval processes in a bid to increase efficiency.

6.0 Challenges During the Period under review

The following were some of the challenges we encountered:

- We were unable to hold Chapter elections due to financial constraints and instead we appointed interim Chapter leaders;
- Delays in issuance of certificate due to lack of an automated system. The procurement process is currently underway to identify a suitable vendor;
- Lack of Registry facilities which is now work in progress;
- Apart from the Registrar, they were no Managers. Management Team was not in place instead we had to put stop gap measures to get temporarily staff who we later confirmed as it was necessary at the time the decision was made; and
- Hostilities and unnecessary squabbles, in some cases negative publicity of ZIPS through the social media. Elections are behind us and it is unnecessary to have quarrels. I am happy to report that lately, the hostilities have reduced.

7.0 Planned Activities Underway

The Council shall continue building on the foundations it has built this far in the last one year. Within the objectives of strategic plan, the Council plans to undertake the following:

- Renovating the existing office by giving it a new face lift;
- Finalize the review of the ZIPS ACT and ensure it is enacted by parliament by the first quarter in 2023. This is important in that it will help us effectively deal with compliance matters as the existing law has some lacunas and it is not robust enough;
- Improve on compliance matters by ensuring that the Compliance Department becomes more visible and is assisted with critical human capital talents;
- Devise mechanisms to improve our financial sustainability. So those of you still owing us, please pay now so that we grow the institute.
- We shall roll out the CPD courses and introduce specialized training similar to what ZIALE is doing. In the short term, we shall work with a strategic institute that will run with the programme.
- Introductions of a legal fund to help in dealings with legal matters in case one of members has been victimized. We need to find a way to help with legal representation for those abused and without any legitimate reason, retired or fired.

8.0 Conclusion

As I conclude my report, I wish to take recognizance of Covid-19. The pandemic spread around the world, and supply chains grinded to a halt, leaving no one in any doubt as to the importance of these vital functions of business. The outbreak of Covid-19 spurred investment in localisation, and further investment in digitalisation, to mitigate the pandemic's impact. On behalf of the Council, I wish to sincerely salute you all for your role played in ensuring that the socioeconomic activities were facilitated, in most cases at the risk of contracting the deadly virus.

I would be failing in my duties as President If failed to the thank the current Council and all the Committees and Chapter leaders for their great input and support in the governance process. What can I say about the Secretariat lead by the Registrar? Job well done though you can do better.

Most importantly all the Members of the ZIPS profession accept my sincere gratitude for embracing this year in the midst of the challenging times which we have and shall continue to overcome.

Once again our sincere gratitude for the trust you reaffirmed by putting us in Office to be able to Steer ZIPS to the next level.

Allow me to end by a quote of (THEODORE ROOSEVEIT) who once said and I quote `` Knowing what is right doesn't matter unless we do what is right.

Lastly, I would like to state that your Council is committed to building on the strong foundations laid by preceding Councils to take this noble profession to higher heights and to this end call upon the Members of our profession to distinguish themselves in their contributions to the profession.

Remember that even as we gather here, there is war in Ukraine and the supply of fertilizer has been disrupted, the supply chain relating to the microchips and fuel has been disrupted and various sectors of the economy have slowed down. As Supply Chain practitioners, we must become more collaborative, consultative and more engaging to help deliver goods and services to the people.



Mr Robert Tembo
President



2021

BUDGET



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FINANCIAL STATEMENTS



Zambia Institute of Purchasing and Supply
(Registration number ORS/102/35/1414)
Financial Statements for the year ended 31 December 2021

GENERAL INFORMATION

Country of incorporation and domicile

Zambia

Nature of business and principal activities

The Zambia Institute of Purchasing and Supply (ZIPS, referred to as the Institute) is the regulatory body of Purchasing and Supply professionals in Zambia. ZIPS was established under the purchasing and supply Act No. 15 of 2003. The principle activities are the regulation of the purchasing and supply professionals as well as the education and training of purchasing and supply professionals in Zambia.

The Council Members

Mr. Robert Tembo	President
Mr. Charles Mwanza	Vice President
Mr. Ernest Washen Nyambe	National Treasurer
Mr. Lennox Chilwa	Council Secretary
Ms. Viola Zulu	Council Secretary
Mr. Justin Matimuna	Council Member
Mr. Patrick Tembo	Council Member
Mr. Kabaso Kabwe	Council Member
Ms. Ngosa Simachela	Council Member
Mr. Phil Daka	Council Member
Mr. Lawrence	Ex-Official

Registered Office

Plot No. 6764, Akanongo Road Olympia Park
Lusaka, Zambia

Postal Address

P.O. BOX 31162, Lusaka, Zambia.

Bankers

Stanbic Bank Zambia
Zambia National Commercial Bank Plc

Auditors

RSM Zambia
Chartered Accountants Plot No. 13,
Lunzua Road, Rhodes Park Lusaka
Zambia 10101

Council Secretary

Mr. Lennox Chilwa

Legal advisors

MSK Advocates
56 Kwacha Road, Olympia, Lusaka

Institute registration number

ORS/102/35/1414

Level of assurance

These financial statements have been audited in compliance with the applicable requirements of the Zambia Institute of Purchasing and Supply Act No 15 of 2003 of Zambia.

Reporting Currency

ZMW

The Council's Responsibilities and Approval

The Council is required by the Zambia Institute of Purchasing and Supply Act No. 15 of 2003 to maintain adequate accounting records and is 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 Institute as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards, the requirements of the Zambia Institute of Purchasing and Supply Act and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The council is 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 council has reviewed the Institute's cash flow forecast for the year to 31 December 2022 and, in light of this review and the current financial position, they are satisfied that the Institute has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Institute's financial statements. The financial statements have been examined by the Institute's external auditors and their report is presented on pages 7 to 8.

The financial statements set out on pages 9 to 29, which have been prepared on the going concern basis, were approved by the council on 9th Sep 22 and were signed on its behalf by:

Approval of financial statements



Mr Robert Tembo
President



Mr Ernest Washen Nyambe
National Treasurer

The council is pleased to submit its report on the financial statements of Zambia Institute of Purchasing and Supply for the year ended 31 December 2021.

1. Governance Structure

The Institute is a creation of the Zambia Institute of Purchasing and Supply Act Number 15 of 2003. The Act provides guidelines on how the institute should be governed.

The Council is the highest decision making body in the hierarchy of the Governance Structure and makes policy decisions over the affairs of the Institute. It sets the strategic direction and provides oversight to the management of the Institute. The Council is headed by the President, who is elected at the Annual General Meeting for a 3 year term of office and can be re-elected for the second term only. S/He is assisted by the two Vice President coming from North and South regions, respectively. All Committees of Council are headed by a Council member who reports the business of the Committee during Council meetings. Each Committee has representation of members who are not members of Council.

The functions of the Council are to; (a) exercise the functions of the Institute; (b) set minimum educational and other qualifications or requirements of persons enrolled as students of the Institute; (c) enroll students of purchasing and supply management and to keep a register of all the enrolled students; (d) determine fees to be paid by any member or other person in respect of courses and examinations set by the Council; (e) set and establish such courses of study or syllabus whether graduate or otherwise as it considers necessary; (f) confer certificates on persons who are successful candidates in the examinations conducted by the Council; and (g) set, establish and monitor standards for persons employed in purchasing and supply management.

2. Nature of business

Zambia Institute of Purchasing and Supply was formed by the Act of parliament to provide training and education and regulation of the procurement professionals in Zambia. It was founded under the Act No. 15 of 2003. The Act was to establish the Zambia Institute of Purchasing and Supply, to provide for its functions; to constitute the Council of the Institute; to provide for the registration of members of the Institute; and to provide for matters connected with or incidental to the foregoing.

The principal activities of the Institute are to; (a) conduct the training of persons in purchasing and supply management; (b) raise the standard of purchasing and supply management as a means of increasing productivity and efficiency and promote cost reduction; (c) conduct research related to purchasing and supply management in order to develop purchasing and supply resource management in Zambia; (d) publish a journal of the Institute, and collect, collate and publish other information of service and interest to the Institute; (e) promote, uphold and improve the standards of training and professional ability of persons engaged in purchasing and supply management; (f) affiliate firms engaged in purchasing and supply management; (g) collaborate with colleges, universities, professional institutions, government departments, commercial institutions and similar international institutions so as to improve the quality of purchasing and supply management in Zambia; (h) undertake and execute any trusts which are conducive to the objects of the Institute; and (i) do all such other acts and things as are incidental to the foregoing or conducive to the attainment of the objectives of the Institute.

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

3. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Zambia Institute of Purchasing and supply Act No. 15 of 2003. 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 Institute are set out in these financial statements.

4. Council Members

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

Council Members	Designation	Nationality
Mr. Robert Tembo	President	Zambian
Mr. Charles Mwanza	Vice President	Zambian
Mr. Ernest Washen Nyambe	National Treasurer	Zambian
Mr. Lennox Chiluba	Council Secretary	Zambian
Ms. Viola Zulu	Council Secretary	Zambian
Mr. Justin Matimuna	Council Member	Zambian
Mr. Patrick Tembo	Council Member	Zambian
Mr. Kabaso Kabwe	Council Member	Zambian
Ms. Ngosa Simachela	Council Member	Zambian
Mr. Phil Daka	Council Member	Zambian
Mr. Lawrence Mpapwa Sambwa	Ex-Official	Zambian

5. Employees Remunerations

The total remuneration of employees during the year amounted to ZMW 1.7million (2020:ZMW 2.4million) and the average number of employees was 14 (2020: 16).

6. Property, plant and equipment

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

At 31 December 2021 the company's investment in property, plant and equipment amounted to ZMW1,805,801 (2020: ZMW 1,788,883), of which ZMW16,918 (2020: ZMW 15,400) was added in the current year through additions.

There were no disposals in the period under review.

7. Events after the reporting period

The council confirms that there were no significant events that accrued after the year end that would require adjustment to the financial statements.

8. Going concern

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

9. Litigation statement

The Institute is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

10. Council Secretary

The Institute's secretary is Mr Lennox Chilwa.

Business address:

Plot No. 6764, Akanongo Road,
Olympia Park,
Lusaka,
Zambia,
10101

11. Statement of disclosure to the Institute's auditors

With respect to each person who is a council member on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the Institute's auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a council member to be aware of any relevant audit information and to establish that the Institute's auditors are aware of that information.

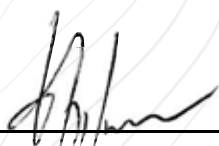
12. Terms of appointment of the auditors

RSM Zambia has expressed interest to continue as the Institute's auditors. A resolution proposing their reappointment will be put at the AGM.

13. Date of authorisation for issue of financial statements

The financial statements have been authorised for issue by the council members on 09/09/22. No authority was given to anyone to amend the financial statements after the date of issue.

By the order of the Council



Mr. Lennox Chilwa
Secretary

To the members of Zambia Institute of Purchasing and Supply. Opinion

We have audited the financial statements of Zambia Institute of Purchasing and Supply set out on pages 9 to 27, which

comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in members' fund 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 Zambia Institute of Purchasing and Supply as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the purchasing and supply Act.

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 institute in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (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.

Other information

The Council is responsible for the other information. The other information comprises the Report of the Council on pages 4 to 6 and the Detailed Income Statements on pages 28 and 29, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Council over the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the purchasing and supply act, and for such internal control as the Council 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 council is responsible for assessing the institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the institute or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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:

Independent Auditor's Report

- 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 institution's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Conclude on the appropriateness of the Council'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 institution'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 the council 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 purchasing and supply Act No. 15 of 2003 requires that in carrying out an audit, we consider whether or not a institute has kept the accounting records and registers as required by the Act. We confirm that in our opinion the accounting records, other records and registers required by the Act have been properly kept by the Institute, so far as it appears from our examination of those records.

RSM Zambia Given Ian Ncube
Chartered
Accountants.....

Given Ian Ncube Partner AUD/F002992

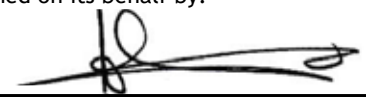
Date.....22-09-2022.....


Financial Statements for the year ended 31 December 2021

Statement of Financial Position as at 31 December 2021

Figures in Zambian Kwacha	Note(s)	2021	2020
Assets			
Non-Current Assets			
Property, plant and equipment	2	14,945	109,210
Current Assets			
Inventories	3	643,193	751,952
Trade and other receivables	4-		36,390
Cash and cash equivalents ⁵		4,195,771	1,295,738
		4,838,9642	,084,080
Total Assets		4,853,909	2,193,290
Members Funds and Liabilities			
Members Funds			
Building funds		823,999	325,430
Retained income		3,624,666	311,533
		4,448,6656	36,963
Liabilities			
Non-Current Liabilities			
Capital Grant	7-		286,328
Current Liabilities			
Trade and other payables	8	312,394	790,849
Advance deposits from members ⁹		92,850	479,150
		405,244	1,269,999
Total Liabilities		405,244	1,556,327
Total Equity and Liabilities		4,853,909	2,193,290

The financial statements and the notes on pages 9 to 27, were approved by the Council on 09.09 2022 and were signed on its behalf by:


 Mr. Robert Tembo
 President


 Mr. Ernest Washen Nyambe
 National Treasurer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Income	10	7,852,803	6,298,872
Direct Costs	11	(3,700,572)(	2,091,297)
Surplus before other income and operating expenses		4,152,231	4,207,575
Other operating income	12	3,974,854	303,734
Operating expenses (refer to page 29)		(4,813,952)(	4,273,550)
Operating surplus		3,313,133	237,759
Surplus for the year		3,313,133	237,759
Other comprehensive income		--	
Total comprehensive income (loss) for the year		3,313,133	237,759

STATEMENT OF CHANGES IN MEMBERS' FUND

Figures in Zambian Kwacha	Retained income	Total equity
Balance at 1 January 2020	73,774	73,774
Surplus for the year	237,759	237,759
Restricted funds	325,430	325,430
Total comprehensive income for the year	563,189	563,189
Balance at 1 January 2021	636,963	636,963
Surplus for the year	3,313,133	,313,133
Restricted funds	498,569	498,569
Total comprehensive income for the year	3,811,702	3,811,702
Balance at 31 December 2021	4,448,665	4,448,665

*The restricted funds are contributions received from members towards the building of a Secretariat office.

STATEMENT OF CASH FLOWS

Figures in Zambian Kwacha	Note(s)	2021	2020
Cash flows from operating activities			
Cash generated from operations	16	2,704,710	822,181
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(16,918)	(15,400)
Cash flows from financing activities			
Capital Reserves		498,569	325,430
Amortisation of Capital grant		(286,328)	(185,609)
Net cash from financing activities		212,241	139,821
Total cash movement for the year		2,900,033	946,602
Cash at the beginning of the year		1,295,738	349,136
Total cash at end of the year	5	4,195,771	1,295,738

INSTITUTE INFORMATION

Zambia Institute of Purchasing and Supply is a statutory entity incorporated and domiciled in Zambia. Zambia Institute of Purchasing and Supply was formed by the Act of parliament to provide training and education and regulation of the procurement professionals in Zambia. It was founded under the Act No. 15 of 2003. The functions of the Institute are to;

- (a) conduct the training of persons in purchasing and supply management;
- (b) raise the standard of purchasing and supply management as a means of increasing productivity and efficiency and promote cost reduction;
- (c) conduct research related to purchasing and supply management in order to develop purchasing and supply resource management in Zambia;
- (d) publish a journal of the Institute, and collect, collate and publish other information of service and interest to the Institute;
- (e) promote, uphold and improve the standards of training and professional ability of persons engaged in purchasing and supply management;
- (f) affiliate firms engaged in purchasing and supply management;
- (g) collaborate with colleges, universities, professional institutions, government depart-

ments, commercial institutions and similar international institutions so as to improve the quality of purchasing and supply management in Zambia;

(h) undertake and execute any trusts which are conducive to the objects of the Institute; and

(j) do all such other acts and things as are incidental to the foregoing or conducive to the attainment of the objectives of the Institute

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 Zambia Institute of Purchasing and Supply Act Number 15 of 2003.

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

Kwachas, which is the Institute's functional currency. These accounting policies are consistent with the previous period.

1.2 Property, plant and equipment Property, plant and equipment are tangible assets which the Institute 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 Institute, 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 Institute 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

ACCOUNTING POLICIES

1.2 Property, plant and equipment

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 Institute. 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.

The depreciation method of items of property, plant and equipment and their rates have been assessed as follows:

Item	Depreciation method	Dep. Rate
Furniture and fixtures	Straight line	20%
Motor vehicles	Straight line	20%
Office equipment	Straight line	25%
IT equipment	Straight line	25%
Computer software	Straight line	33%

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.

1.3 Financial instruments: IAS 39 comparatives

Fair value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: In the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it another market participant that would use the asset in its highest and best use. The institute uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Institute determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Institutes accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Institute presents assets and liabilities in the statement of financial position based on current/non-current

Expected to be realised or intended to be sold or consumed in normal operating cycle
Held primarily for the purpose of trading

Expected to be realised within twelve months after the reporting period

Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current. A liability is current when:

It is expected to be settled in normal operating cycle

It is held primarily for the purpose of trading

It is due to be settled within twelve months after the reporting period or There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Institute classifies all other liabilities as non-current.

Financial Assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments or available for sale financial assets as appropriate. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is impaired if its carrying amount is greater than the estimated recoverable amount. The recoverable amount is estimated at the present value of expected future cash flows discounted at the financial instruments original interest rate The Institute's principal financial assets are bank balances and cash and trade and other receivables. These are measured at amortised cost using the effective interest method less any impairment. The Institute derecognises a financial asset when the contractual right to the cash flows from the asset expires or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another party. The Institute maintains its bank accounts with licensed banks in Zambia

Financial Liabilities

Financial liabilities are classified as either financial liabilities through profit or loss or other financial liabilities. Financial liabilities are classified according to the substances of the contractual arrangements entered into. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Institute's other financial liabilities are trade and other payables. Trade and other payables are

measured at amortized cost using the effective interest rate. The effective interest method is a method of calculating the amortized 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 through the expected life of the financial liability to the net carrying amount on initial recognition. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash, deposits in banks and short term investments, net of outstanding bank overdrafts.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.

Upon lease commencement a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar.

A lessee shall apply this policy to its leases either:

- a) retrospectively to each prior reporting period presented applying IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; or
- b) retrospectively with the cumulative effect of initially applying the Standard recognised at the date of initial application in accordance Subject to paragraph 23, when a change in accounting policy is applied retrospectively in accordance with paragraph 19(a) or

(b), the entity shall adjust the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied. The Institute's lease for its premises is under an agreement for a period of 12 months and meets the exemption criteria in IFRS 16.

1.5 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.

Inventories includes a “right to returned goods asset” which represents the institute right to recover products from customers where customers exercise their right of return under the institute returns policy.

1.6 Receivables

A receivable represents the Institute's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets - Financial instruments – initial recognition and subsequent measurement. Income from subscriptions and fees is accounted for when received.

1.7 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Institute pays fixed contributions into the National Pension Scheme Authority. The Institute has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

The cost of gratuity and annual leave are recognised during the period in which the employee renders the related service.

Accruals for employee entitlement to gratuity and annual leave represent the present obligation, which the Institute has to pay as a result of the employee services provided to the reporting date.

Employee's liabilities are recognised for the amount expected to be paid for the gratuity and annual leave as the Institute has a present legal constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.8 Provisions and contingencies

Provisions are recognised when:

- ☐ the Institute has a present obligation as a result of a past event;
- ☐ it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

a reliable estimate can be made of the obligation. The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised.

1.9 Government Grants

Government grants are recognised when there is reasonable assurance that:

- ☐ the institute will comply with the conditions attaching to them; and

- ☐ the institute will comply with the conditions attaching to them; and
- ☐ the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable. Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

1.10 Revenue (IFRS15)

The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

Identify the contract(s) with a customer

Identify the performance obligations in the contract

Determine the transaction price

Allocate the transaction price to the performance obligations in the contract

Recognize revenue when (or as) the entity satisfies a performance obligation.

Identify the contract with the customer. The institute recognises revenue from the following major sources:

- ☐ Subscription from members (Firms and individuals)
- ☐ Examination fees
- ☐ Conferences and Workshops fees
- ☐ Grants from Government

a) Sale of ZIPS branded articles

For contracts with customers in which the sale of educational material and branded items is generally expected to be the only performance obligation, adoption of IFRS 15 is not expected to have any impact on the Institute's revenue and profit or loss. The Institute expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods. In preparing to adopt IFRS 15, the Institute is considering the following.

c) Advances received from Customers, members & students

PROPERTY, PLANT AND EQUIPMENT.

	2021		2020			
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	254,023	(254,023)	-2	54,023	(220,261)	33,762
Motor vehicles	662,984	(662,984)	-6	62,984	(662,984)	-
Office equipment	888,794	(873,849)	14,9454	15,909	(378,792)	37,117
IT equipment	---			455,967(	417,636)	38,331
Total	1,805,801(	1,790,856)	14,945	1,788,883	(1,679,673)1	09,210

NOTES TO THE FINANCIAL STATEMENTS

Figures in Zambian Kwacha

2021

2020

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	33,762	-(	33,762)	-
Office equipment	37,117	16,918	(39,090)	14,945
IT equipment	38,331	-(	38,331)	-
	109,210	16,918	(111,183)	14,945

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	30,760	15,400	(12,398)	33,762
Motor vehicles	25,166	-(	25,166)	-
Office equipment	89,930	-(	52,813)	37,117
IT equipment	80,948	-(	42,617)	38,331
	226,804	15,400	(132,994)	109,210

Details of property, plant and equipment

Registers with details of property, plant and equipment are available for inspection by members or their duly authorised representatives at the registered office of the Institute.

3. Inventories

ZIPs Branded articles (at cost)	643,193	751,952
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The inventory consists of study modules (books), branded mug cups, clothing and computer accessories that are held to be sold to the members through the secretariat.

4. Trade and other receivables

Trade receivables	-	36,390
Total trade and other receivables	-	36,390

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	4,195,771	1,295,738
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Notes to the Financial Statements

Figures in Zambian Kwacha

6. Building Funds

Building funds

2021	2020
823,999	325,430

Building funds relate to contributions from members towards the purchase of the Secretariat.

7. Capital Grant

The capital grants relates to the capital grants by the government through Ministry of Finance to the Institute. The Capital grant consisted of Motor vehicles, Furniture and fittings and computer equipment. This grant is amortised annually through the statement of profit and loss.

8. Trade and other payables

Trade payables	-	76,027
Provision for Leave and Gratuity	144,289	322,640
Accrual - Audit services	11,693	55,795
Accrued leave pay	-	282,552
Other payables	156,412	53,835
	312,394	790,849

9. Advanced deposits from members

A total amount of ZMW92,850.00 has been recognised as advance deposits from members which relates to the income received in the year under review for the year 2022.

10. Income

Sale of ZIPS Branded Articles	29,950	778,430
Subscription	2,473,381	1,976,596
Government Grants	500,104	500,105
Examination & Exemption Fees	926,170	910,000
Conference fees	3,923,198	2,133,741
	7,852,803	6,298,872

11. Direct Costs

Rendering of services	3,700,572	2,091,297
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Notes to the Financial Statements

Figures in Zambian Kwacha

12. Other income

	2021	2020
Workshop income	3,867,700	303,734
Donation income	15,500	-
Clothing income	11,295	-
Sundry income - Other	12,900	-
Graduation income	36,500	-
Interest received	30,959	-
	3,974,854	303,734

13. Employee costs

Employee costs		
Salary and Emoluments	1,770,079	2,405,549
Medical aid - company contributions	5,137	19,696
Workers Compensation Agency Fund	14,712	6,229
Other payroll costs	465,463	-
	2,255,391	2,431,474

14. Depreciation and Amortisation

Depreciation		
Property, plant and equipment	111,183	132,994

15. Taxation

The Institute is exempt from taxation under the Income Tax Act Section 5(i) of part III Second Schedule of CAP 323 of the Laws of Zambia.

16. Cash generated from operations

Surplus for the year	3,313,133	237,759
Adjustments for:		
Depreciation and amortisation	111,183	132,994
Changes in working capital:		
Inventories	108,759	107,028
Trade and other receivables	36,390	538,060
Trade and other payables	(478,455)	154,307
Advance deposits from members	386,300)	(347,967)
	2,704,710	822,181

17. Related parties

The institutions related parties consist of council members the nature of the relationship is that they are decision makers of the institution.

Relationships

Related party transactions

Council member allowances

Meeting allowances	793,333	-
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18. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2021

	Note(s)	Amortised cost	Total	Fair value
Cash and cash equivalents	5	4,195,771	4,195,771	4,195,771

18. Financial instruments and risk management (continued)

Categories of financial liabilities

2021

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	8	312,394	312,394	-

2020

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	8	790,849	790,849	-

Capital risk management

The company's objective when managing capital (which includes borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

Trade and other payables	8	312,394	790,849
Cash and cash equivalents	5	(4,195,771)	(1,295,738)
Net borrowings		(3,883,377)	(504,889)
Equity		4,448,665	636,963
Gearing ratio		(87)%	(79)%

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the on its activities.

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.

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2021

	Carrying amount
Current liabilities	
Trade and other payables	312,394

2020

	Carrying amount
Current liabilities	
Trade and other payables	8 790,849

19. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations.

The council is unaware of any material events that would affect the ability of the institute to continue as a going concern.

20. Events after the reporting period

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

DETAILED INCOME STATEMENT

Figures in Zambian Kwacha	Note(s)	2021	2020
Income			
Sale of ZIPS Branded Articles		29,950	778,430
Subscription		2,473,381	1,976,596
Conference fees		3,923,198	2,133,741
Government Grants		500,104	500,105
Examination & Exemption fees		926,170	910,000
	10	7,852,803	6,298,872
Direct Costs			
Opening inventory		(751,952)	(858,980)
Direct Expenses		(3,591,813)	(1,984,269)
Closing inventory		643,193	751,952
	11	(3,700,572)	(2,091,297)
Surplus before other income and operating expenses		4,152,231	4,207,575
Other income			
Capital grant amortisation		3,974,854	303,734
Operating Expenses (Refer to page 29)		(4,813,952)	(4,273,550)
Surplus for the year		3,313,133	237,759

DETAILED INCOME STATEMENT

Figures in Zambian Kwacha	Note(s)	2021	2020
Operating expenses			
Office supplies		(24,142)	-
Advertising		(159,123)	(51,156)
Corporate entertainment expenses - DSTV		5,485	-
Bank charges		(27,381)	(29,651)
Cleaning		(8,315)	(17,369)
Computer expenses		-(	340)
Consulting and professional fees		(55,123)	(103,858)
Consultancy		-(	16,500)
Legal fees		(20,500)	(27,000)
Consumables		(13,090)	-
Depreciation		(111,183)	(132,994)
Employee costs		(2,255,391)	(2,431,474)
Compliance and meeting expenses		(817,032)	(552,903)
Hire of Venues		(158,768)	-
Purchase of staff suits - Strategic Launch		35,000)	-
Graduation expenses		(2,500)	-
Chapter Funding		(95,989)	-
Admin - Licensing and Permits		(48,300)	-
Fines and penalties		-	(2,810)
Insurance		(2,000)	-
Internet		(66,110)	(89,253)
Lease Rentals		(186,682)	(229,706)
Motor vehicle expenses		(152,484)	(188,024)
Electricity and Water Expenses		(4,557)	(20,285)
Postage		(12,822)	(3,838)
Printing and stationery		(144,907)	(125,336)
Repairs and maintenance		(53,693)	(37,763)
Security		(40,496)	(37,259)
Staff welfare (Medical scheme)		(23,600)	(70,970)
Subscriptions		(850)	(14,726)
Telephone and fax		(4,250)	(23,387)
Training		(4,600)	(9,950)
Transport and freight		(13,621)	(11,625)
Travel - local		(265,958)	(45,373)
		(4,813,952)	(4,273,550)



Zambia Institute
of Purchasing
and Supply

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Zambia Institute of Purchasing and Supply

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