
TRANSPARENCY INTERNATIONAL (ZAMBIA) LIMITED
(Limited by Guarantee)

FINANCIAL STATEMENTS
For the year ended 31 December 2019

Walis Chartered Accountants
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TRANSPARENCY INTERNATIONAL (ZAMBIA) LIMITED

(Limited by Guarantee)

Financial Statements for the year ended 31 December 2019



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TRANSPARENCY INTERNATIONAL (ZAMBIA) LIMITED

(Limited by Guarantee)

Financial Statements for the year ended 31 December 2019



Profile

Country of incorporation and domicile Zambia

Nature of business and principal activities

Principal activities of the Company are to create interest among stakeholders and encourage the concept of joint responsibility in the fight against corruption, good governance and integrity and to advocate for zero tolerance for corruption.

Directors

Mr. Reuben Lifuka	President
Prof. S.K Yambayamba	Vice president
Mr. Wesley Chibamba	Board Secretary
Ms. Buumba Kaunga	Treasurer
Ms. Grace Mtonga	Member
Prof. Lewis Chilufya	Member
Dr. Anne Chewe Chanda	Member
Mr. Adam Daka	Member
Dr. Douty Chibamba	Member
Mr. Emmanuel Shula	Member

Registered office

Plot no. 28 Mwambula Road
Jesmondine
Lusaka

Postal address

P.O. Box 37475
Lusaka
10101

Bankers

ATLAS MARA Bank Zambia Limited

Auditors

Walis Chartered Accountants
5th Floor, TAZARA House, West Wing
P. O. Box 31629, Lusaka, Zambia

Secretary

Wesley Chibamba

Company registration number

120010046295

Report of the Board of Directors

The Board of Directors is pleased to present their financial statements and report for the year ended 31 December 2019. This report forms part of the audited financial statements.

1 Nature of business

Transparency International (Zambia) Limited is a non-governmental Company registered with the Registrar of Patents and Company's Agency (PACRA) as a company limited by guarantee in Zambia. Principal activities of the Company are to create interest among stakeholders and encourage the concept of joint responsibility in the fight against corruption, good governance and integrity and to advocate for zero tolerance for corruption.

2 Operating results

The operational financial results for the year under review are summarized as per here under:

	2019	2018
	ZMW	ZMW
Income	11,687,628	10,194,350
Surplus / (deficit) for the year	162,829	2,728,076

3 Directors

The board of directors who held office in the year under review were as follows:

Mr. Reuben Lifuka	President
Prof. S.K Yambayamba	Vice president
Mr. Wesley Chibamba	Board Secretary
Ms. Buumba Kaunga	Treasurer
Ms. Grace Mtonga	Member
Prof. Lewis Chilufya	Member
Dr. Anne Chewa Chanda	Member
Mr. Adam Daka	Member
Dr. Douty Chibamba	Member
Mr. Emmanuel Shula	Member

There have been no changes to the directorate for the period under review.

The director's remuneration during the year amounted to nil (2018: nil).



4 Property, plant and equipment

During the year under review, the company acquired office furniture and equipment at a cost of ZMW218,230 which increased the portfolios of the respective components of property, plant and equipment accordingly.

The company disposed a motor vehicles whose original cost was ZMW547,453 with an accumulated wear and tear of ZMW547,453 and office furniture and equipment whose original value was ZMW 368,893 with accumulated wear and tear of ZMW368,893 .

5 Events after the reporting period

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

6 Auditors

In accordance with the provisions of the Companies Act 2017, Walis Chartered Accountants were appointed the company's auditors for the year under review. The Auditors have expressed willingness to continue in office for the subsequent year. The Annual General Meeting will pass a resolution to re-appoint them and authorize their remuneration.

By Order of the Board of Directors

Secretary

20-04-2020

Date

Walis Chartered Accountants

Auditors, Accountants and Tax Advisors

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Lusaka

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Report of the Auditors

To the Members of Transparency International (Zambia) Limited

Opinion

We have audited the financial statements of Transparency International (Zambia) Limited (the Organisation), which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies as set out on pages 12 to 23.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Transparency International (Zambia) Limited as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), and the requirements of the Companies Act 2017 of the Laws of Zambia.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zambia, and we fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the Companies Act of Zambia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risk 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

The Companies Act 2017 of the Laws of Zambia requires that in carrying out an audit, we consider whether or not the Company has kept accounting records and registers as required in this Act. We confirm that in our opinion the accounting records, other records and registers required by the this Act have been properly kept by the Company.

Walis Chartered Accountants
Walis Chartered Accountants

Mumbwali Simuzingili FCCA, FZICA, BAc
Managing Partner

21 April 2020
Date

TRANSPARENCY INTERNATIONAL (ZAMBIA) LIMITED**(Limited by Guarantee)****Statement of Financial Position****At 31 December 2019**

ASSETS	<i>Notes</i>	2019 ZMW	2018 ZMW
Non-Current Assets			
Equipment	3	<u>719,661</u>	<u>812,405</u>
		<u>719,661</u>	<u>812,405</u>
Current Assets			
Accounts receivables	4	736,410	152,995
Cash and cash equivalents	5	<u>2,825,829</u>	<u>2,628,879</u>
		<u>3,562,239</u>	<u>2,781,874</u>
Total Assets		<u><u>4,281,900</u></u>	<u><u>3,594,279</u></u>
EQUITY AND LIABILITIES			
Equity			
Accumulated fund		<u>2,867,139</u>	<u>2,704,310</u>
Current Liabilities			
Accounts Payables	6	<u>1,414,761</u>	<u>889,969</u>
Total Equity and Liabilities		<u><u>4,281,900</u></u>	<u><u>3,594,279</u></u>

The financial statements set out on pages 8 to 23, which were prepared on going concern basis, were approved by the Board of Directors at a meeting held on ...20/04..., 2020 and signed on its behalf by:


CHAIRMAN

EXECUTIVE DIRECTOR

The accounting policies and notes on pages 12 to 23 form part of these financial statements. Audit report page 5 to 7.



TRANSPARENCY INTERNATIONAL (ZAMBIA) LIMITED

(Limited by Guarantee)

Financial Statements for the year ended 31 December 2019

Statement of Comprehensive Income

	<i>Notes</i>	2019 ZMW	2018 ZMW
Income	<i>Appnd I</i>	11,687,628	10,194,350
Operating expenses	<i>Appnd II</i>	<u>(11,524,799)</u>	<u>(7,466,274)</u>
Operating surplus / (deficit)		162,829	2,728,076
Financing costs		<u>-</u>	<u>-</u>
Surplus / (deficit) for the year		<u>162,829</u>	<u>2,728,076</u>

The accounting policies and notes on pages 12 to 23 form part of these financial statements. Audit report page 5 to 7.

TRANSPARENCY INTERNATIONAL (ZAMBIA) LIMITED

(Limited by Guarantee)

Financial Statements for the year ended 31 December 2019



Statement of Changes in Equity

	Accumulated funds	Total equity
	ZMW	ZMW
Balance at 01 January 2018	(53,600)	(53,600)
Retained earnings (accumulated)	29,834	29,834
Surplus for the year	<u>2,728,076</u>	<u>2,728,076</u>
Balance at 31 December 2018	<u>2,704,310</u>	<u>2,704,310</u>
Balance at 01 January 2019	2,704,310	2,704,310
Surplus for the year	<u>162,829</u>	<u>162,829</u>
Balance at 31 December 2019	<u><u>2,867,139</u></u>	<u><u>2,867,139</u></u>

The accounting policies and notes on pages 12 to 23 form part of these financial statements. Audit report page 5 to 7.

TRANSPARENCY INTERNATIONAL (ZAMBIA) LIMITED**(Limited by Guarantee)****Financial Statements for the year ended 31 December 2019****Statement of Cash Flows**

Cash outflows from operating activities	<i>Notes</i>	2019 ZMW	2018 ZMW
Cash generated from operations	7	298,217	3,483,919
Interest income		-	-
Tax paid		-	-
Net cash outflow from operating activities		<u>298,217</u>	<u>3,483,919</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(218,230)	(1,074,496)
Proceeds from sale of property, plant and equipment		116,963	-
Net cash outflow from investing activities		<u>(101,267)</u>	<u>(1,074,496)</u>
Cash flows from financing activities			
Dividends paid		-	-
Net cash from financing activities		<u>-</u>	<u>-</u>
Total cash movement for the year		<u>196,950</u>	<u>2,409,423</u>
Increase in cash and cash equivalents	8	<u>196,950</u>	<u>2,409,423</u>

The accounting policies and notes on pages 12 to 23 form part of these financial statements. Audit report page 5 to 7.

1.8 Impairment

The carrying amount of Company's assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such condition exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

1.9 Reversal of impairment

An impairment loss in respect of a held-to maturity security or receivable is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. An impairment in respect of other assets is reversed if there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

1.10 INCOME RECOGNITION

Income represents donations received in the ordinary course of business. These donations are both from institutions as well as from parties outside the country. Income is recognised in the income and expenditure statement as per contractual agreements entered into with donors.

1.11 FINANCIAL ASSETS**1.12 Cash and cash equivalents**

Cash and equivalents are defined as cash on hand, and bank balances and short term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For this purpose of the statement of cash flows, cash equivalents consist of cash, deposits in banks and short-term investments, net of outstanding bank overdrafts.

1.13 Trade and other receivables

Receivables and prepayments are measured at initial recognition at fair value, and are subsequently measured at amortized cost. Appropriate advances for estimated irrecoverable amounts are recognised in the comprehensive statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Accounting policies - continued

1.14 FINANCIAL LIABILITIES

Financial liabilities are classified as payables, provisions and term borrowing respectively, according to the substance of the contractual arrangements entered into and definitions of financial liability. An equity instrument is any contract that evidences a residual interest in the assets of the organisation after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities are as set out below:

1.15 Trade and other payables

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

1.16 Tax liability

Tax liabilities / (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

1.17 Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

1.18 Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an amount to economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to liability.

1.19 EMPLOYEE BENEFITS***Defined contributions scheme***

A defined contribution scheme is a pension plan which under the Company pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold significant assets to pay all employees benefits relating to service in the current and prior years. The Company's contribution to the defined contribution schemes are charged to the statement of comprehensive income in the year to which they relate. The Company has no further obligations once the contributions have been paid.

The Company makes contributions to the state defined contribution pension scheme, National Pension Scheme Authority "NAPSA", on behalf of the employees.

Accounting policies - continued

1.20 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements continually evaluated and are based on historical experience and other factors, including estimates of future events that are believed to be reasonable under the circumstances

1.21 *Critical accounting estimates and assumptions*

1.22 *Receivables*

Critical estimates are made by the Company in determining the recoverable amount of impaired receivables.

1.23 *Property and Equipment*

Critical estimates are made by the Company in determining the depreciation rates for equipment. The rates used are set out above under the equipment accounting policy.

1.24 *Critical judgements in applying the entity's accounting policies*

In the process of applying the Company's accounting policies, management has made judgements in determining:

The classification of financial assets and liabilities ; and

Whether assets are impaired.

Notes to the financial statements

2 New Standards not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2019, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Company plans to adopt the new standard on the required effective date. During 2016, the Company has performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Company in the future. Overall, the Company expects no significant impact on its balance sheet and equity except for the effect of applying the impairment requirements of IFRS 9. The Company expects a higher loss allowance resulting in a negative impact on equity and will perform a detailed assessment in the future to determine the extent.

(a) Classification and measurement

The Company does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value. Quoted equity shares currently held as available-for-sale with gains and losses recorded in OCI will be measured at fair value through profit or loss instead, which will increase volatility in recorded profit or loss. The AFS reserve currently presented as accumulated OCI will be reclassified to opening retained earnings. Debt securities are expected to be measured at fair value through OCI under IFRS 9 as the Company expects not only to hold the assets to collect contractual cash flows but also to sell a significant amount on a relatively frequent basis.

The equity shares in non-listed companies are intended to be held for the foreseeable future. The Company expects to apply the option to present fair value changes in OCI, and, therefore, believes the application of IFRS 9 would not have a significant impact. If the Company were not to apply that option, the shares would be held at fair value through profit or loss, which would increase the volatility of recorded profit or loss.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Company expects that these will continue to be measured at amortised cost under IFRS 9. However, the Company will analyse the contractual cash flow characteristics of those instruments in more detail before concluding whether all those instruments meet the criteria for amortised cost measurement under IFRS 9.

Notes to the financial statements - continued

(b) Impairment

IFRS 9 requires the Company to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Company expects to apply the simplified approach and record lifetime expected losses on all trade receivables. The Company expects a significant impact on its equity due to unsecured nature of its loans and receivables, but it will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of the impact.

(c) Hedge accounting

The Company believes that all existing hedge relationships that are currently designated in effective hedging relationships will still qualify for hedge accounting under IFRS 9. As IFRS 9 does not change the general principles of how an entity accounts for effective hedges, the Company does not expect a significant impact as a result of applying IFRS 9.

The Company will assess possible changes related to the accounting for the time value of options, forward points or the currency basis spread in more detail in the future.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five -step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2019. Early adoption is permitted. The Company plans to adopt the new standard on the required effective date using the full retrospective method. During 2016, the Company performed a preliminary assessment of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis. Furthermore, the Company is considering the clarifications issued by the IASB in April 2016 and will monitor any further developments.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

Notes to the financial statements - continued

IAS 7 Disclosure Initiative - Amendments to IAS 7

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2019, with early application permitted. Application of amendments will result in additional disclosure provided by the Company.

IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses - Amendments to IAS 12

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 January 2019 with early application permitted. If an entity applies the amendments for an earlier period, it must disclose that fact. These amendments are not expected to have any impact on the Company.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Notes to the financial statements - continued

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

Notes to the financial statements - continued

3 Property, plant and equipment

Cost	Motor vehicles	Furniture and Office equipment	Totals
	ZMW	ZMW	ZMW
At 1 January 2019	1,559,783	581,697	2,141,480
Additions during the year	-	218,230	218,230
Disposals during the year	(547,453)	(368,893)	(916,346)
At 31 December 2019	<u>1,012,330</u>	<u>431,034</u>	<u>1,443,364</u>
Depreciation			
At 1 January 2019	800,537	528,538	1,329,075
Charge for the year	253,082	57,972	311,054
Charge on disposals	(547,453)	(368,973)	(916,426)
At 31 December 2019	<u>506,166</u>	<u>217,537</u>	<u>723,703</u>
Carrying Value			
At 31 December 2019	<u>506,164</u>	<u>213,497</u>	<u>719,661</u>
At 31 December 2018	<u>759,246</u>	<u>53,159</u>	<u>812,405</u>

4 Accounts Receivables

	2019 ZMW	2018 ZMW
Staff receivables	-	2,350
Prepayments for fuel	2,049	-
Insurance Prepayments	11,376	-
Rental Prepayments	60,000	150,645
Security deposit	20,000	-
Prepayment of vehicle ordered	613,455	-
Other receivables	29,531	-
	<u>736,410</u>	<u>152,995</u>

TRANSPARENCY INTERNATIONAL (ZAMBIA) LIMITED



(Limited by Guarantee)

Financial Statements for the year ended 31 December 2019

Notes to the financial statements - continued

		2019	2018
		ZMW	ZMW
5	Cash and cash equivalents		
Atlas Mara Bank	SIDA	1,056,152	1,126,522
Atlas Mara Bank	NORAD	-	83,546
Atlas Mara Bank	Gratuity	-	40,836
Atlas Mara Bank	Land and Corruption	-	131,011
Atlas Mara Bank	REDD+	-	11,722
Eco Bank	Finish Embassy	300,358	403,307
Atlas Mara Bank	Fixed deposit	901,578	-
Standard Chartered Bank	General Account	-	9,426
ZANACO	OC4H	484,863	342,996
Eco Bank	GIZ	-	125,500
Eco Bank	OSISA	-	353,753
Atlas Mara Bank	Members funds	66,592	-
FNB	SIDA	-	260
Atlas Mara Bank	Euro Account	16,286	-
		<u>2,825,829</u>	<u>2,628,879</u>
6	Accounts Payables		
	PAYE	201,492	273,898
	NAPSA	29,138	231,184
	Gratuity	-	241,273
	Audit fees	71,200	80,000
	Other payables	1,112,932	63,614
		<u>1,414,761</u>	<u>889,969</u>
7	Net cash flows from operating activities		
	Operating surplus	162,829	2,728,076
	Depreciation for the year	310,974	357,943
	Profit on disposal of fixed assets	(116,963)	-
	Interest received	-	-
	Finance costs	-	-
	Changes in working capital:		
	Accounts receivable	(583,415)	(144,101)
	Accounts payable	524,792	542,001
		<u>298,217</u>	<u>3,483,919</u>

TRANSPARENCY INTERNATIONAL (ZAMBIA) LIMITED

(Limited by Guarantee)

Financial Statements for the year ended 31 December 2019



Notes to the financial statements - continued

	2019	2018
8 Analysis of changes in cash and cash equivalents during the year	ZMW	ZMW
Cash and cash equivalents at the beginning of the year	2,628,879	219,456
Increase in cash and cash equivalents	196,950	2,409,423
Cash and cash equivalents at the end of the year	2,825,829	2,628,879

9 **Current and comparative figures**

Current and comparative figures were re-arranged where necessary in order to comply with Financial Statements International Reporting Standards on presentation of financial statements for the year under review.

10 **Contingent liabilities**

There were no contingent liabilities at 31 December 2019 (in 2018 - Nil)

11 **Retirement benefit obligations**

Defined Contribution Plans

Defined contribution plans are pension plans under which the company pays fixed contributions into a separate entity for purposes of securing employees pension benefits. The company has no further legal or constructive obligations to pay further benefits if the fund does not hold sufficient assets to pay all registered employees the respective benefits in the current or prior periods.

The company's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate. The company has no further obligations once contributions have been paid.

National Pension Scheme

The company and all its eligible employees in the prescribed age limits contribute to the National Pension Scheme Authority (NAPSA), which is a statutory defined contribution plan.

12 **Events after the reporting period**

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report not otherwise dealt with in this report or the financial statements, which significantly affect the financial position of the company or the results of its operations to the date of this report.

TRANSPARENCY INTERNATIONAL (ZAMBIA) LIMITED**(Limited by Guarantee)****Financial Statements for the year ended 31 December 2019***Appendix I***Detailed income**

Income	2019	2018
	ZMW	ZMW
Swedish International Development Cooperation Agency	8,047,246	7,231,498
TIS - Land and Corruption in Africa	132,751	785,604
GIZ - German Co-operation	50,789	681,180
TI - Australia - Mining for Sustainability Development	772,693	487,777
TI-UK - Open Contracting for Health Initiative	1,376,825	481,787
OSISA	392,784	405,448
TIS - (IACD-Small Grants)	33,657	65,056
CACAF	-	50,000
TIS - Investigative Journalist	69,515	-
Action Grants	117,262	-
Environmental Investigation Agency	8,468	-
Membership fees	11,550	6,000
ACC	300,000	-
In-kind donations	197,806	-
Donation from members	200	-
Profit on disposal of Motor vehicles	112,500	-
Profit on disposal of equipment	4,463	-
Statutory penalty recovery	109,910	-
GIZ TEELA	(50,789)	-
Total Income	11,687,628	10,194,350

TRANSPARENCY INTERNATIONAL (ZAMBIA) LIMITED**(Limited by Guarantee)****Financial Statements for the year ended 31 December 2019***Appendix II***Detailed Statement of Operational Expenditure**

	2019 ZMW	2018 ZMW
Audit fees	81,200	80,000
Advertising & publication	316,894	296,453
IT support costs	139,246	-
Bank charges	22,948	45,495
Capacity Building and Workshops	3,127,815	2,157,723
Cleaning	-	1,790
Computer expenses	22,604	3,511
Consulting and professional fees	367,662	310,478
Courier and postage	1,254	2,425
Depreciation	310,974	357,943
Electricity and water	15,161	20,128
General expenses	1,550	125,218
Legal fees	-	2,195
Medical fees	188,059	93,563
Meetings	37,033	129,107
Partner costs	-	47,040
Printing and stationery	167,398	26,723
Rentals	204,000	96,400
Statutory deductions and penalties	165,953	148,471
Subscriptions and licenses	28,979	7,427
Telephone and internet	109,132	83,067
Transport hire	162,094	55,056
Workers compensation	7,247	6,917
Motor vehicle expenses	329,592	161,877
Repairs and maintenance	1,400	7,148
Salaries and wages	4,132,219	2,400,048
Security services	-	11,444
Staff costs	329,474	130,972
Gratuity	952,705	547,399
Travel	302,206	110,256
Total administrative expenditure	11,524,799	7,466,274

TRANSPARENCY INTERNATIONAL (ZAMBIA) LIMITED**(Limited by Guarantee)****Company Registration Number 74234***Appendix III***STATEMENT OF SOURCES AND UTILISATION OF FUNDS - SIDA
for the year end 31 December 2019**

	2019	2018
	ZMW	ZMW
Sources of funds		
Grants received	<u>8,047,246</u>	<u>10,441,685</u>
Utilisation of funds		
People's Engagement and Advocacy	321,747	728,600
Democratic Governance	868,348	1,118,060
Environmental and Natural Resources Governance	92,722	296,440
Strategy and Monitoring	837,686	1,081,800
Management and Institutional Development	5,777,884	7,216,785
Total Expenses	<u>7,898,387</u>	<u>10,441,685</u>
Surplus for the year	<u>148,859</u>	<u>-</u>

TRANSPARENCY INTERNATIONAL (ZAMBIA) LIMITED

(Limited by Guarantee)

Company Registration Number 74234

*Appendix IV***STATEMENT OF SOURCES AND UTILISATION OF FUNDS - LCA
for the year end 31 December 2019**

	2019	2018
	ZMW	ZMW
Sources of funds		
Grants received	<u>191,831</u>	<u>137,474</u>
Utilisation of funds		
Human Resources	57,801	53,204
Final Evaluation	46,119	23,450
Operating costs	15,857	1,770
Quarterly Field visits	6,024	29,050
Advocacy	39,908	28,200
ICT Platform	11,522	1,800
Print baseline report	14,600	-
Total Expenses	<u>191,831</u>	<u>137,474</u>
Surplus for the year	<u>-</u>	<u>-</u>

STATEMENT OF SOURCES AND UTILISATION OF FUNDS - M4SD
for the year end 31 December 2019

	2019 ZMW	2018 ZMW
Sources of funds		
Grants received	<u>773,070</u>	<u>1,440,630</u>
Utilisation of funds		
Development of IEC materials	26,670	30,000
Mtgs for Scoping p/ners & community	89,630	90,800
Engagement with traditional leaders	1,745	2,500
Media engagement	5,770	5,000
Orientation of DWGs/CNBs	56,197	91,850
Participation in external meetings	26,835	30,000
Quarterly monitoring planned activities	37,279	59,900
End of year review meeting	4,300	37,300
Monitoring progress on Env.Mg	1,195	68,500
Summarise of non tech. EIA Report	-	17,100
Diss. Eeting on non tech. EIA report	-	27,500
Conduct action reserch on EIA	-	28,950
Sensitise on process and content of...	4,500	83,900
Scoping of the Mining agreement	34,515	51,250
Sensitisation with community	5,652	88,900
Engage Government on monitoring EIA	-	38,792
Conduct desk research (other	-	12,520
Facilitate empowerment between MoCTA &	-	25,000
Meetings with EIA consultants	-	25,760
Joint activities with network	9,750	131,750
International networks meeting	41,855	44,000
Staff costs contribution	318,050	340,078
Operating costs - contribution	109,127	109,280
Total expenses	<u>773,070</u>	<u>1,440,630</u>
Surplus for the year	<u>-</u>	<u>-</u>

TRANSPARENCY INTERNATIONAL (ZAMBIA) LIMITED**(Limited by Guarantee)****Company Registration Number 74234***Appendix VI***STATEMENT OF SOURCES AND UTILISATION OF FUNDS - ETAP
for the year end 31 December 2019**

	2019 ZMW	2018 ZMW
Sources of funds		
Grants received	<u>628,053</u>	<u>655,015</u>
Utilisation of funds		
IEC Materials	40,300	40,500
National CSO Engagement Meetings	10,100	16,800
Community leaders and Student empowerment	97,567	105,139
Radio programs and adverts	29,450	30,691
Public forums and monitoring CNB	113,714	114,000
Community rallies and sensitizations	36,210	36,450
Meetings with ACC and PAC	9,324	9,400
Assessment of controls and systems	43,000	43,500
Engage with LEA and policy makers	33,944	35,400
Debt Management analysis	17,000	20,000
Debt Management sharing and dissemination	10,847	11,120
Staff costs - contributions	142,727	147,755
Operational costs - contributions	43,870	44,260
Totals expenses	<u>628,053</u>	<u>655,015</u>
Surplus for the year	<u>-</u>	<u>-</u>

TRANSPARENCY INTERNATIONAL (ZAMBIA) LIMITED

(Limited by Guarantee)

Company Registration Number 74234



Appendix VII

**STATEMENT OF SOURCES AND UTILISATION OF FUNDS - OC4H
for the year ended 31 December 2019**

	2019 ZMW	2018 ZMW
Sources of funds:		
Grants received	<u>1,247,675</u>	<u>1,339,769</u>
Utilisation of funds		
Inception meetings with stakeholders	52,050	63,000
Roll out trainings	186,740	203,136
Develop IEC materials	16,500	20,000
Radio Advocacy programs	3,000	30,000
Develop OC4H billboards	33,000	60,000
Toolkit consultation meetings	-	8,000
Meetings / Training with ZIPS TK	-	6,000
Meetings with partners - Continuous engagement	-	8,000
TIZ MEL visits to districts	26,800	26,817
Visits to districts for person Su	39,350	39,400
Col with ZPPA to TS e-GP 4 PE	76,424	76,468
Develop training content - local content	81,973	82,659
Training CSOs on public procurement	74,173	74,868
Staff costs - contributions	428,579	428,593
Operational costs - contributions	72,609	76,260
Regional meetings	58,318	50,000
Rollout of training to CSOs	84,189	86,568
Follow up visits to CSOs	-	-
Total expenses	<u>1,233,705</u>	<u>1,339,769</u>
Surplus for the year	<u>13,970</u>	<u>-</u>