



**Zambia Institute of
Human Resource Management**

Audited Financial Statements

For year ended 31st December 2022

19th May 2022

26th Annual General Meeting

- @ Avani, Livingstone



Presentation of Financial Statements for 2022

- Opening Remarks



**Zambia Institute of
Human Resource Management**

Auditor's Opinion

on the Financial Statement for year ended 2022

By Reeds Business Solutions



Financial Performance anchored on Interim Strategy 5 pillars

Pillars and WIG's



MEMBER VALUE PROPOSITION

"Deliver a member-centric experience that attracts, empowers and equips members to thrive and develop in their practice areas."



DIGITAL TRANSFORMATION

"To become a technologically enabled Institute with capability to serve members and other stakeholders through e-platforms."



FINANCIAL SUSTAINABILITY

"To build and maintain a reliable & recurring revenue stream to cover operating expenditure and achieve financial outcomes that are consistent with the expectations of the Institute."



VISIBILITY & COMMUNICATION

"To ensure that programs and value created by ZIHRM and its members is seen by all stakeholders as beneficial impactful."



GOVERNANCE & COMPLIANCE

"To ensure that ZIHRM has an optimized organisational model, dynamic strategy and adequate legal & governance framework for the regulation and furtherance of HR Practice in Zambia."

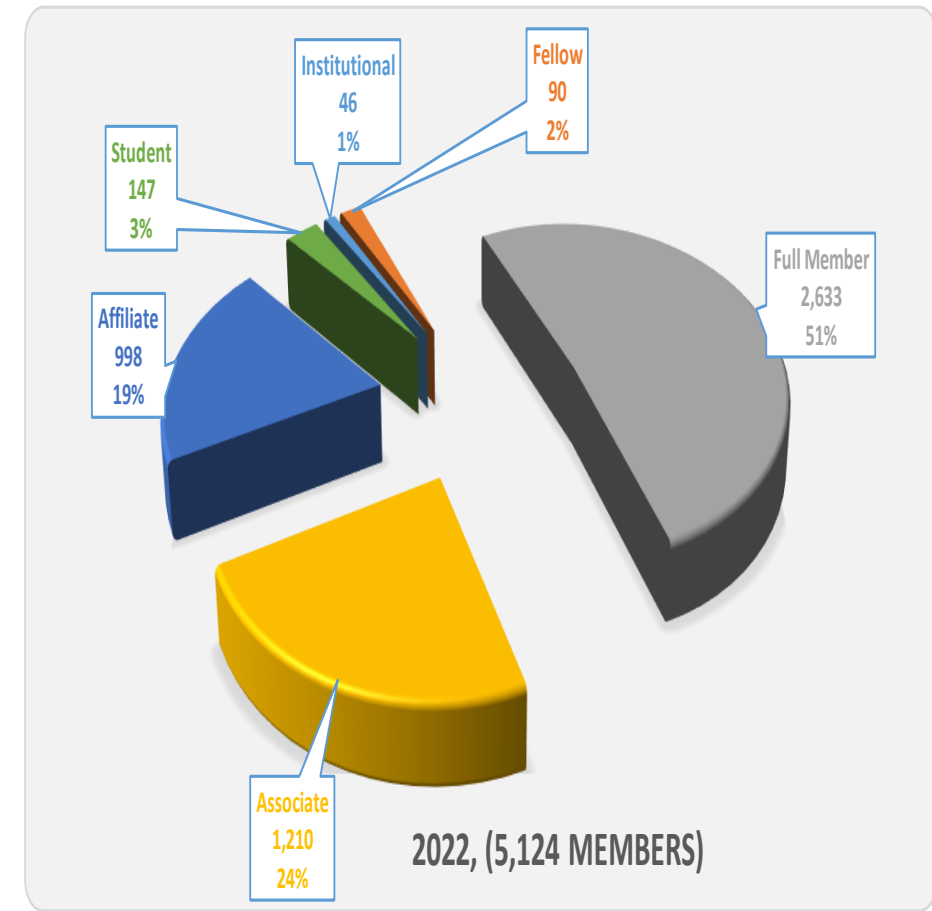
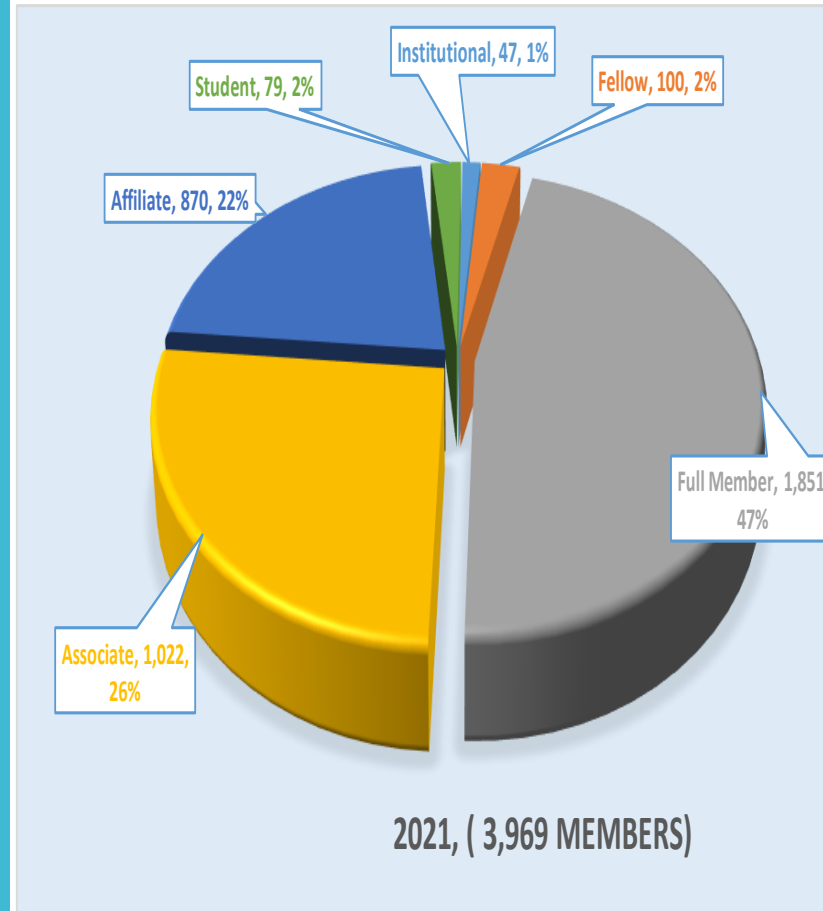
Financial Performance Outline



Operational Performance

Membership

1. Grown 1% over budget of 5094 while up 29% compared with 2021.
2. More by 1,155 compliant members.
3. Attributed to compliance inspections – 285.
4. ZIHRM Act provisions



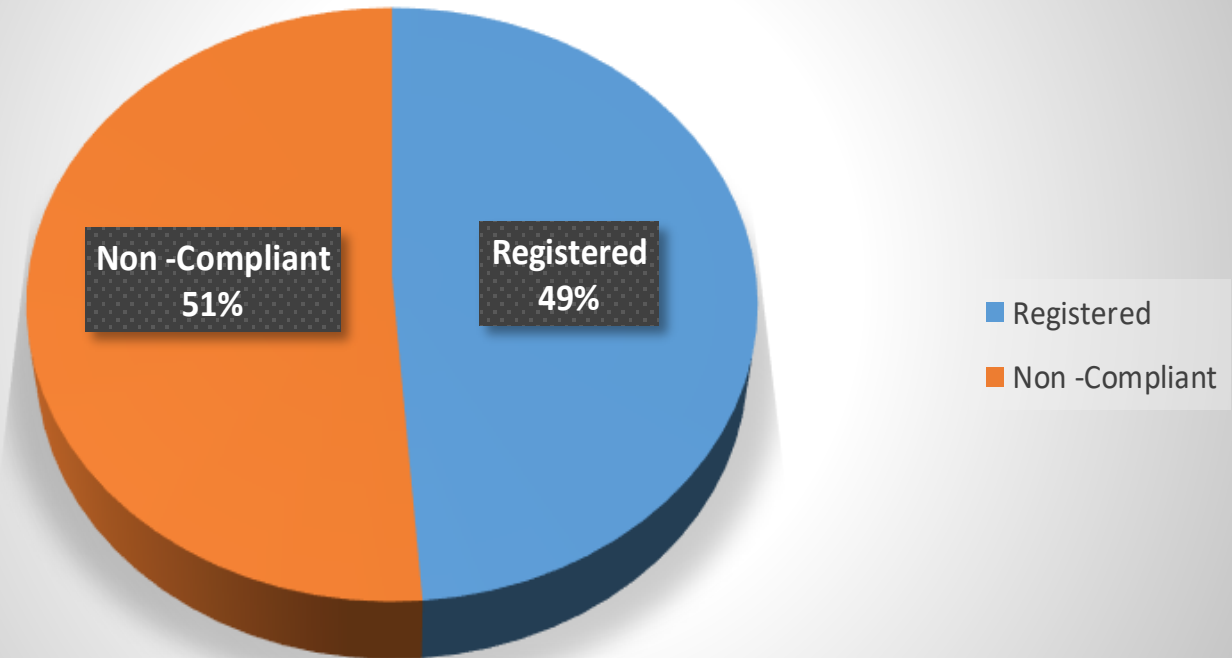
Registered	2500
Non -Compliant	2624
	5124

Membership

1. On-line registration /renewals on member management system achieved almost 50% compliant since implementation in January 2022.

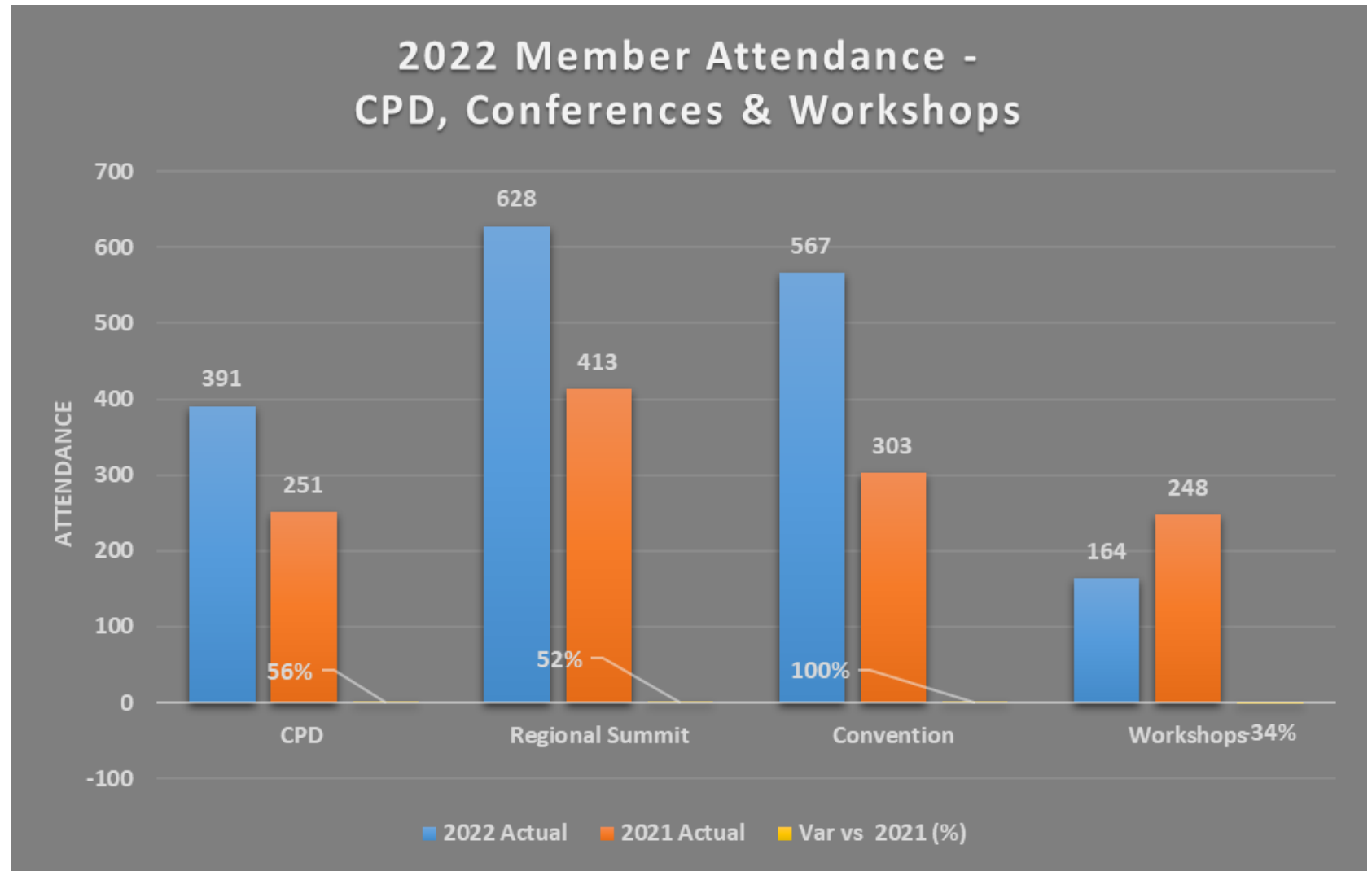
2. Benefits of compliance – information demography

GlueUp Registration Compliant levels 49%



ZIHRM Events Attendance

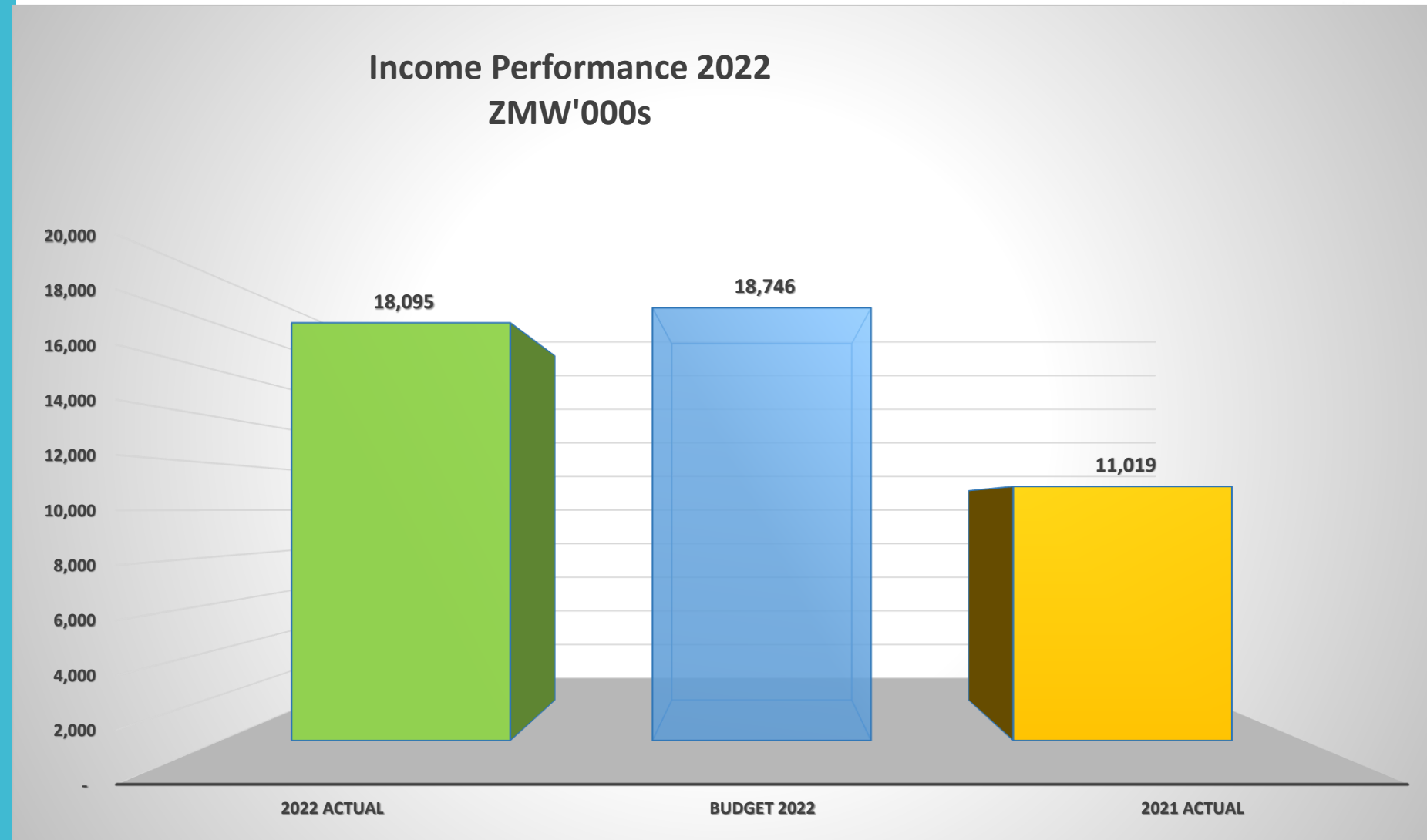
- 1. Up between 50-100% for CPD, and conference compared 2021
- 2. Workshop down by 34% due to overloaded calendar compared 2021



Income Statement

1. Total income up by 64% compared with 2021 but less by 3% compared with Budget.

2. Key drivers to growth; Enhanced legal framework, fees, members compliant, government cost code implementation.



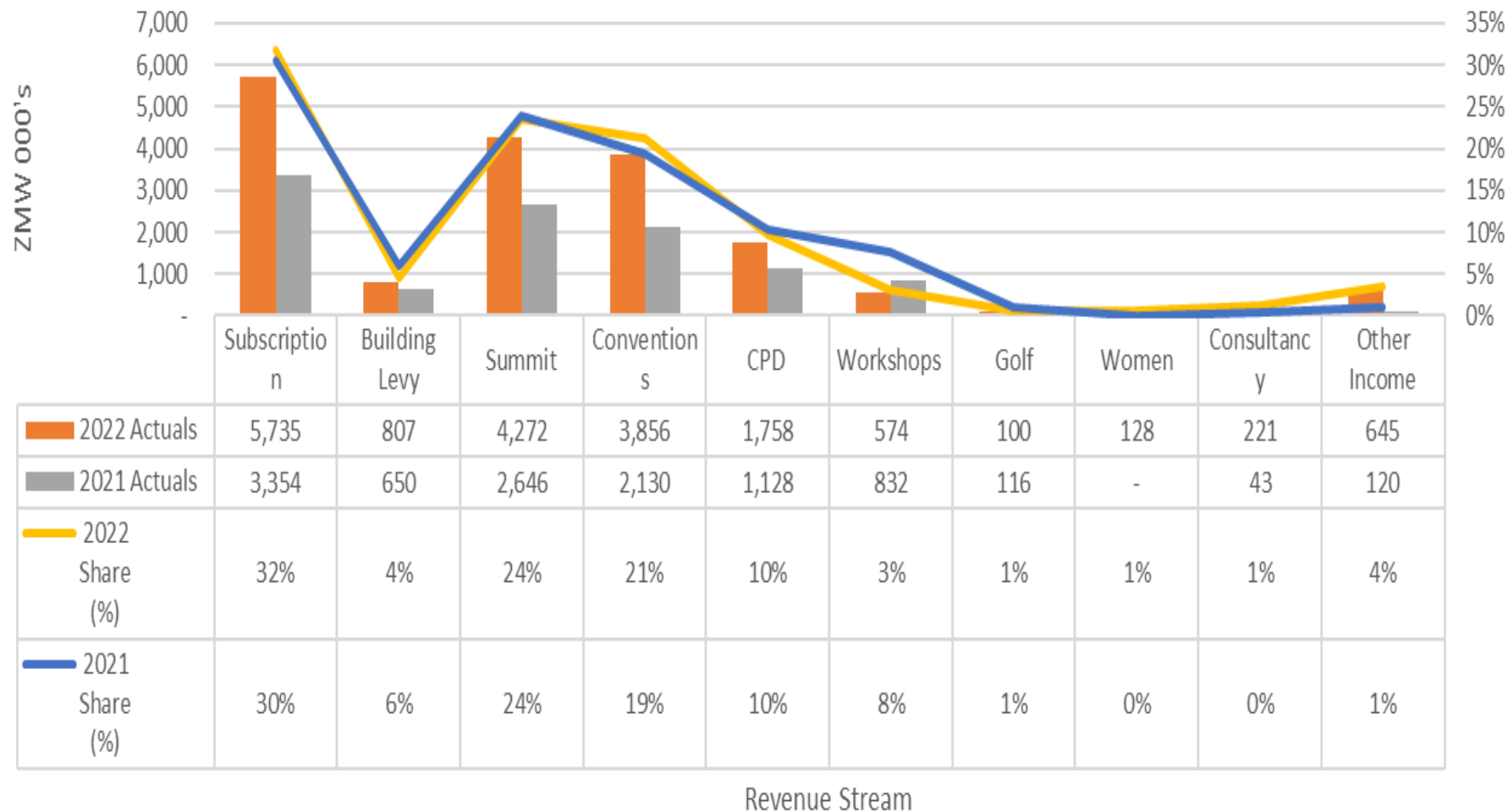


Income Statement

1. Major contributors to Income were subscription and events making up 80%.
2. Consultancy increased by 1%.
3. Diversification was key with enhanced legal framework.

Revenue Performance and Contribution 2022

ZMW'000's



Income Statement

1. Major growth recorded in subscriptions and Events by more than 50%
2. Consultancy growth 400%
3. Workshops decreased by 31% due to overloaded calendar, inadequate marketing.
4. Diversification – Women's Conference at low cost participation.

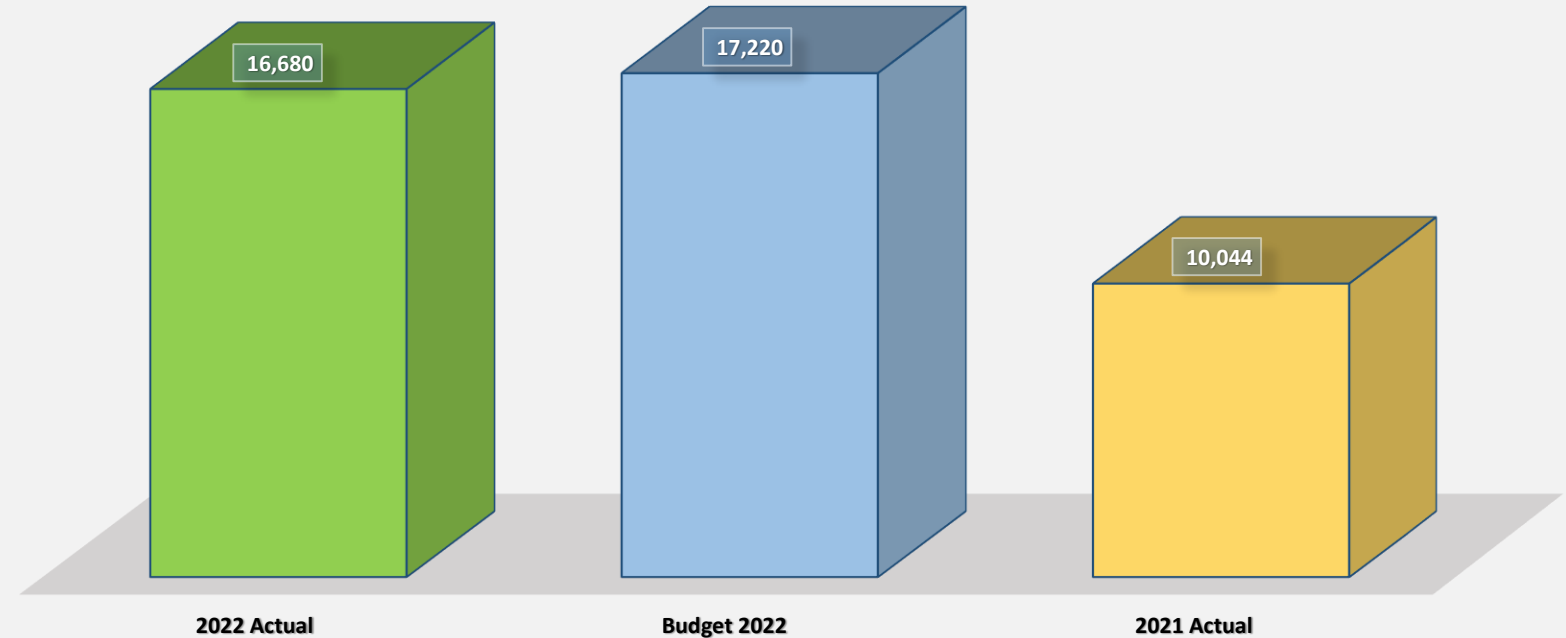
Revenue Streams growth 2022



Income Statement

1. Total expenditure was more by 71% compared with 2021.
2. Less by 3% compared with Budget.
3. Key drivers to growth include Russia –Ukraine War effect, fuel prices, kwacha depreciation resulting in inflationary pressures and interest rates upwards.

EXPENDITURE 2022 ZMW'000

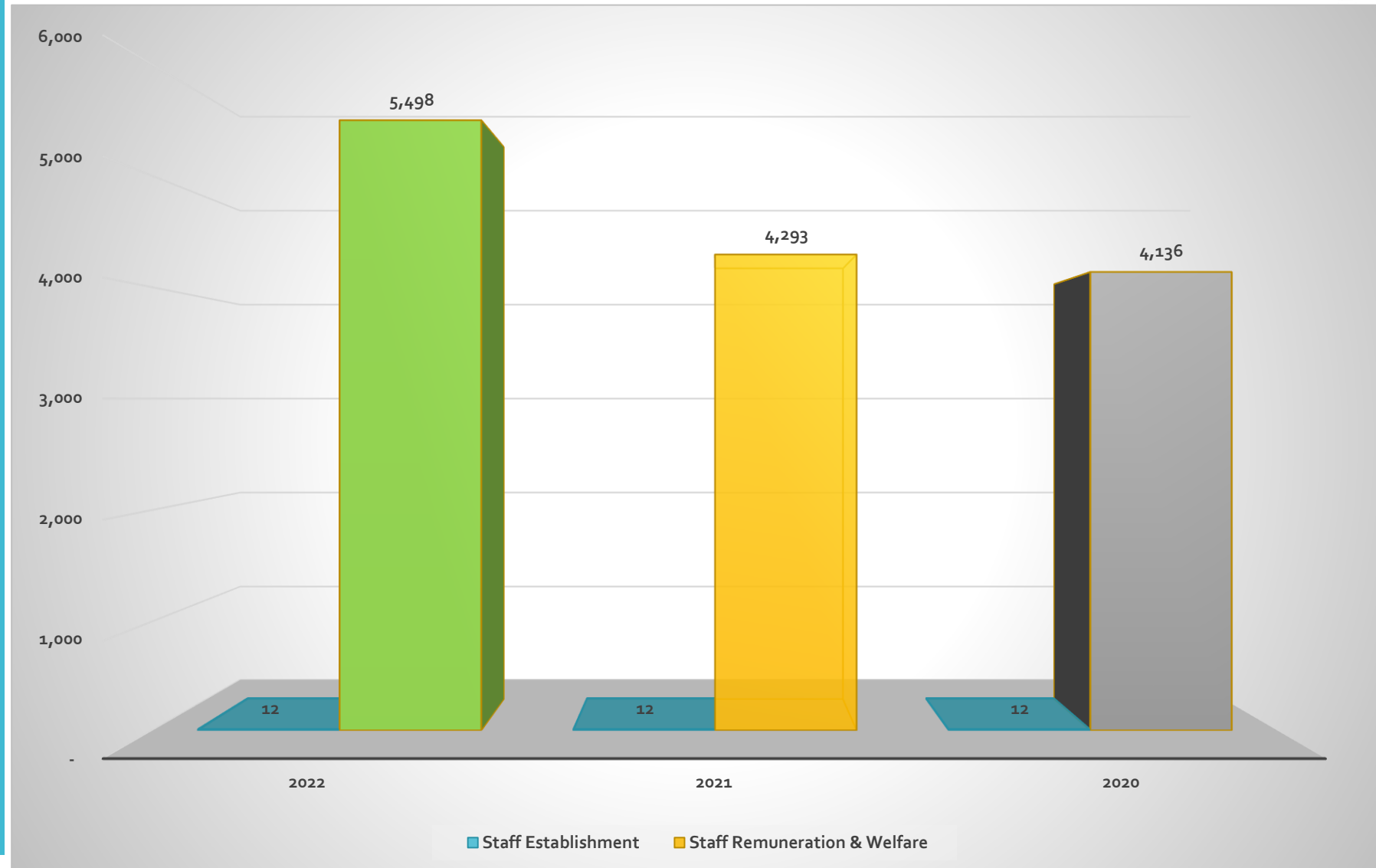


Income Statement – Key Expenditure

1. Staff expenses were
28% more compared with
2021

2. Staff compliment
remained constant past 3
years.

3. Key drivers to increase;
salary adjusted 12%; leave
commutation; gratuity
accruals; staff training &
welfare



Income Statement – Key Expenditure

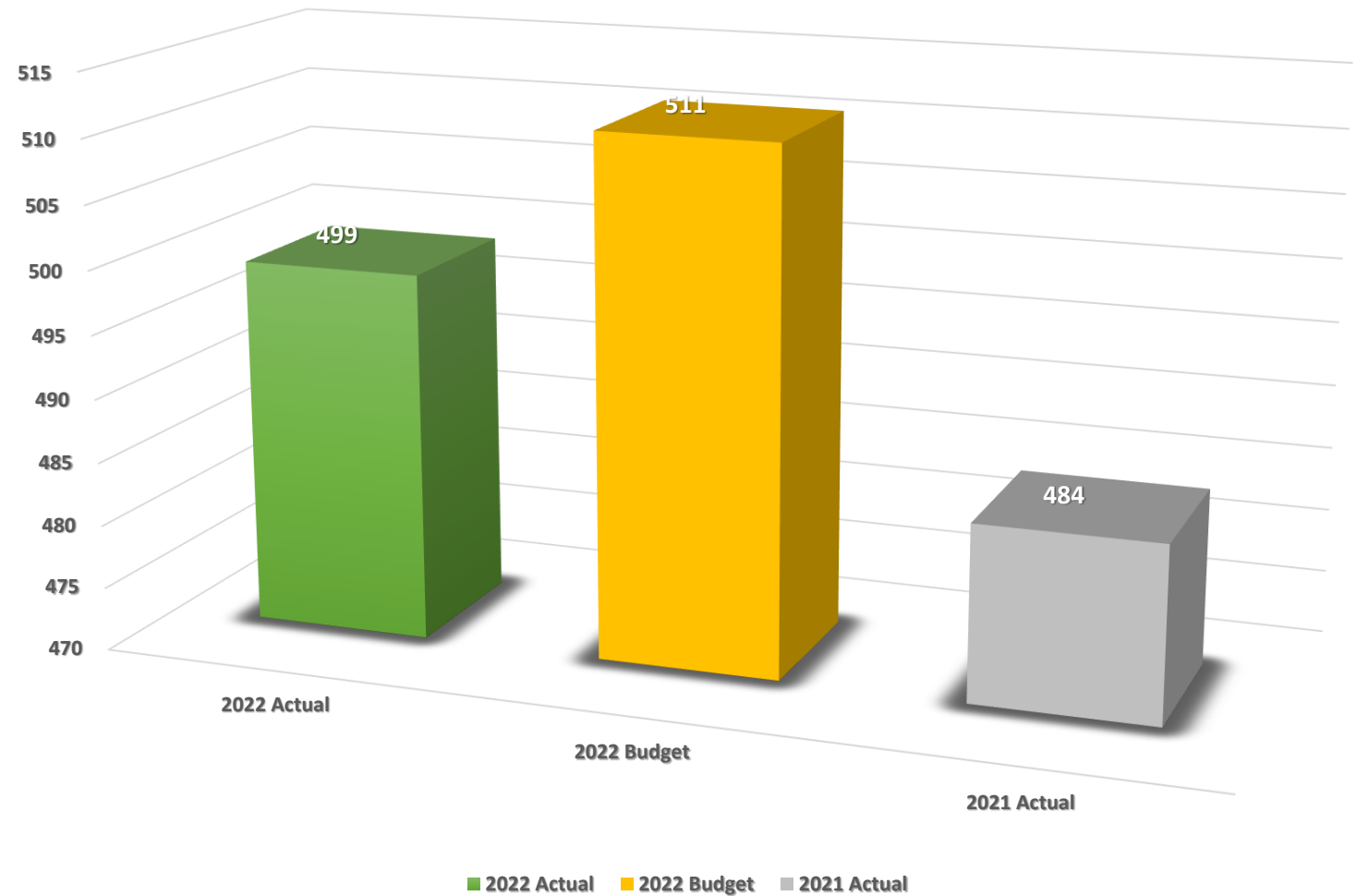
1. Council & Committees expenses were 3% more compared with 2021 but less 2% below Budget

3. Permanent Committees composition reduced from 7 to 5 members.

4. Sitting Allowances maintained since 2019.

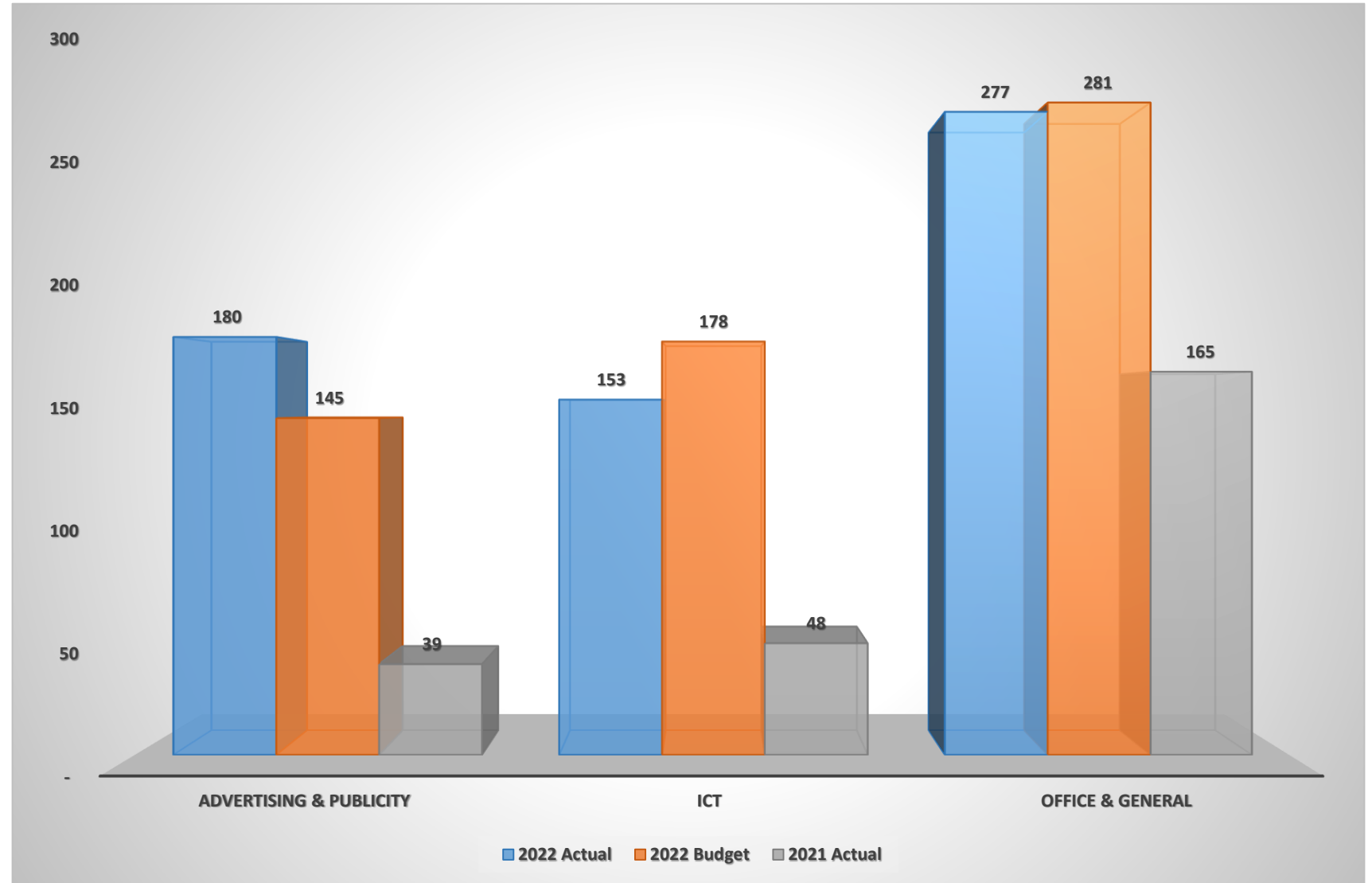
5. Key drivers were increased is expanded activities in the year to execute mandate.

Council & Committees



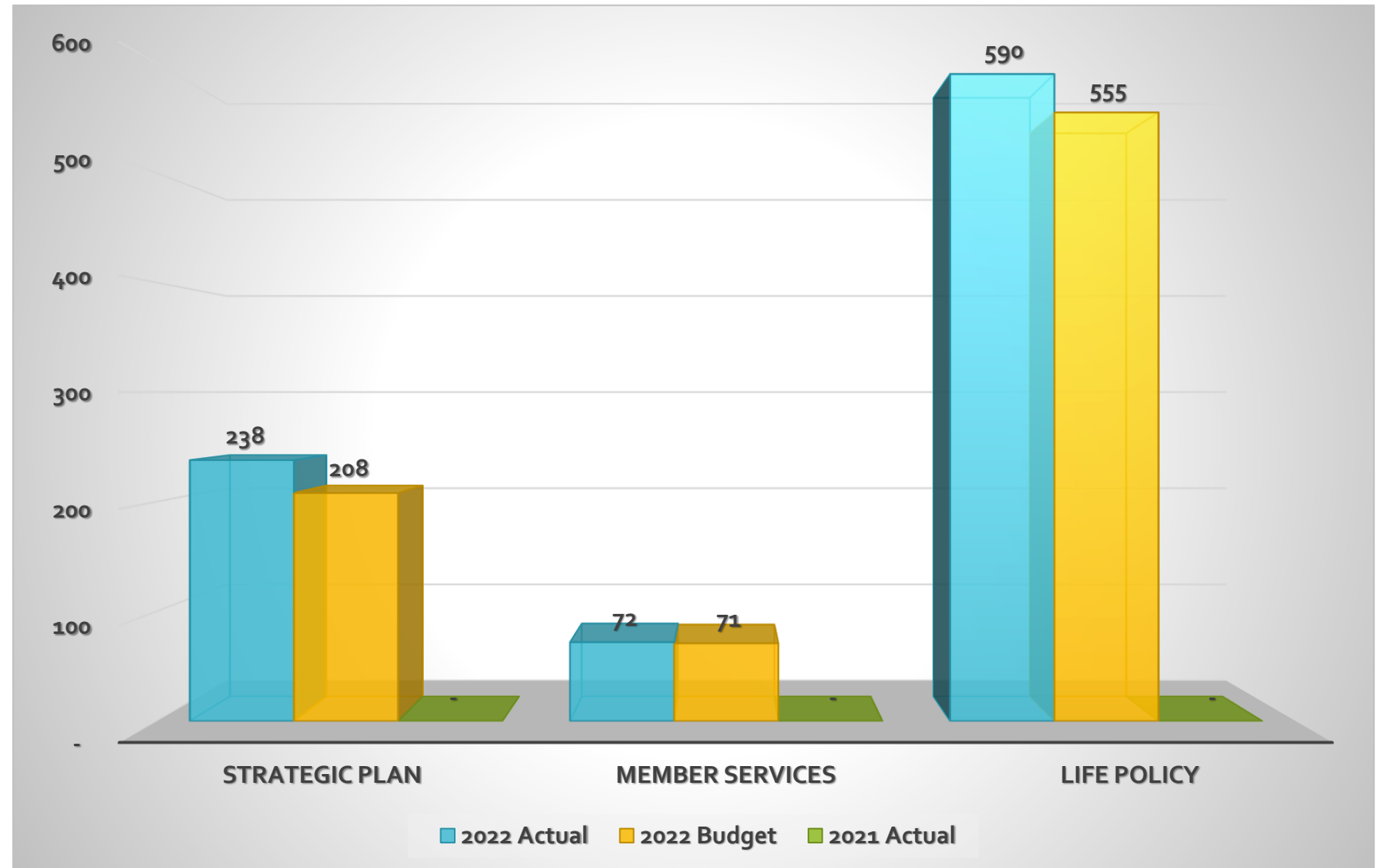
Income Statement –Key Expenditure

1. Advertising & Publicity expenses were 366% more compared with 2021 and 24% above budget.
2. ICT expenses were 219% more compared with 2021 but less 1% on budget.
3. Office & General were 68% more compared with 2021 but less
4. Key drivers to increase in goods and service prices and expanded activities



Income Statement (New Expenditure Lines not in 2021 expenditure)

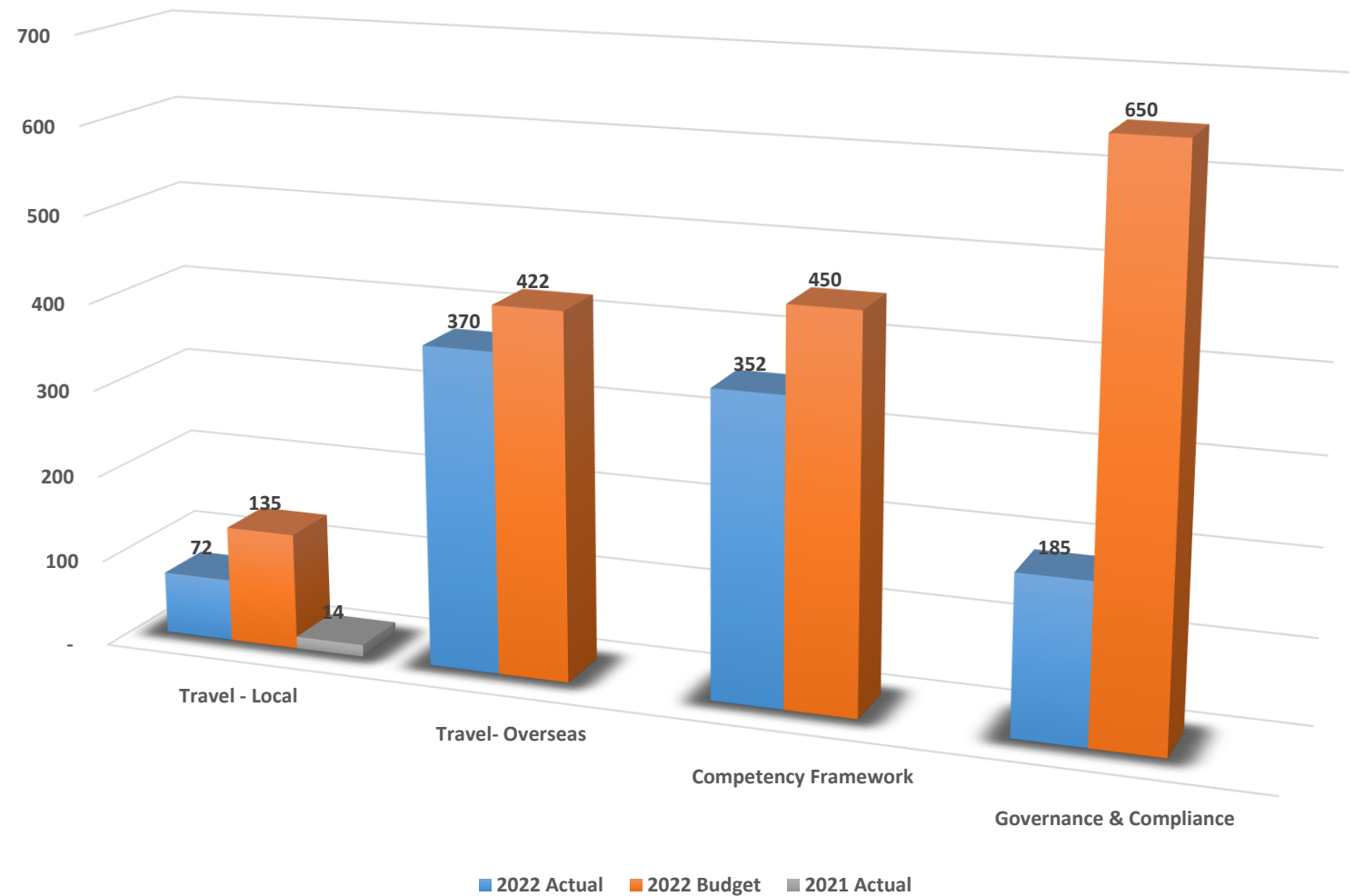
1. Strategic Planning expenses and 14% above budget. Consultative stakeholders
2. Members services related to meet and greet and almost equal to budget.
3. Life Policy premiums for paid-up members but 6% above
4. Key drivers to increase in goods and service prices and expanded activities



Income Statement (New Expenditure Lines not in 2021 expenditure)

1. Travel –Overseas related to June 2022, ILO Conference, Geneva, Switzerland for President and Registrar /CEO. As part of TLC delegation.
2. Governance expenses were 59% below budget. Attributed to review of constitution, electoral rules, Code of Ethics and development of SI's
3. Competency Framework was 22% below budget. Related to its conceptual and development by Steering and Technical Committee of Experts.

Visibility, Member CPD & Governance 2022



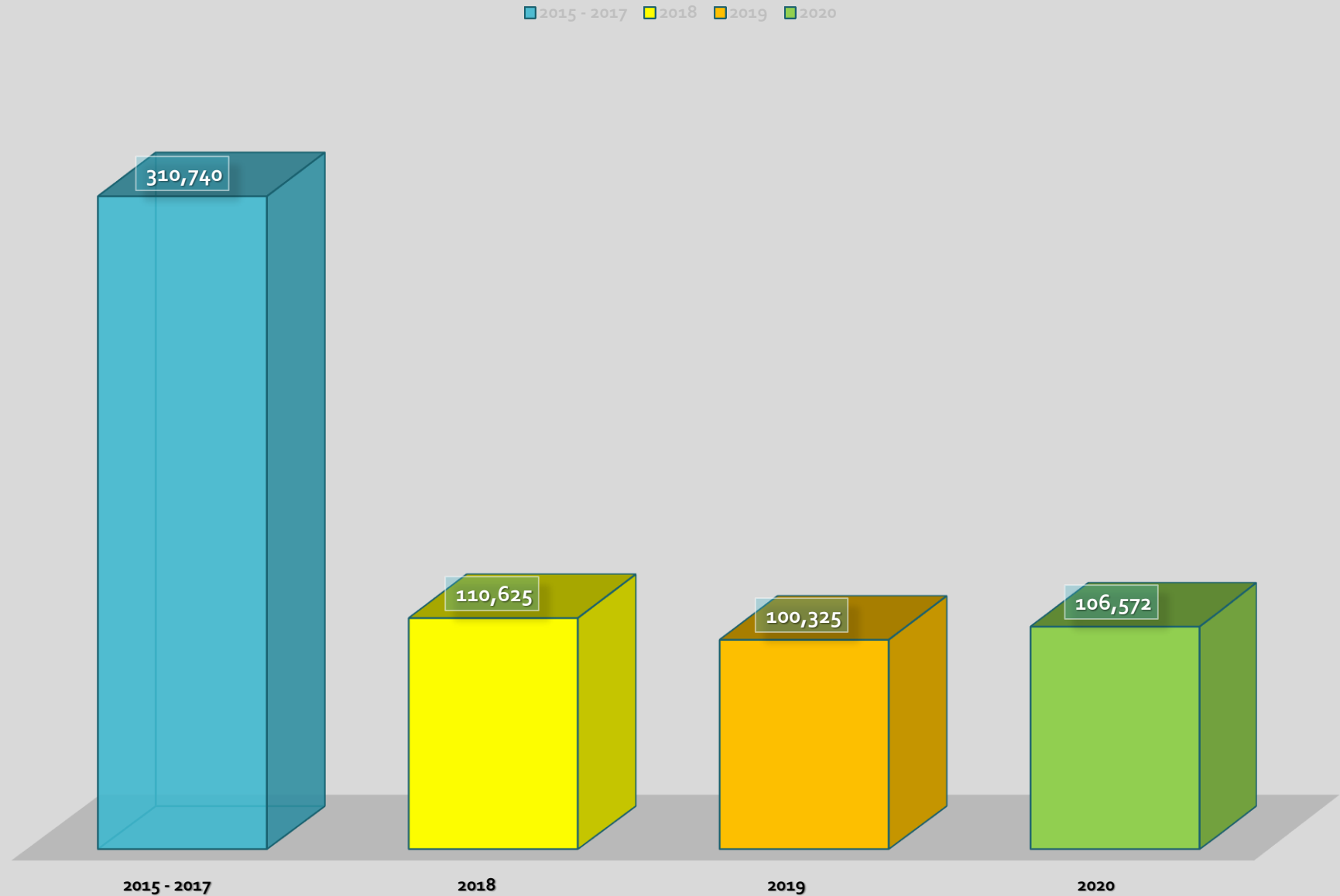
Income Statement (Bad Debts – Write-Off)

1. CPD debtors not paid when Credit was extended since 2015.

2. In Earlier years reflected as Income and part of debtors.

3. In 2021 Financials, made a provision for debt write-off as reflected in AGM Minutes.

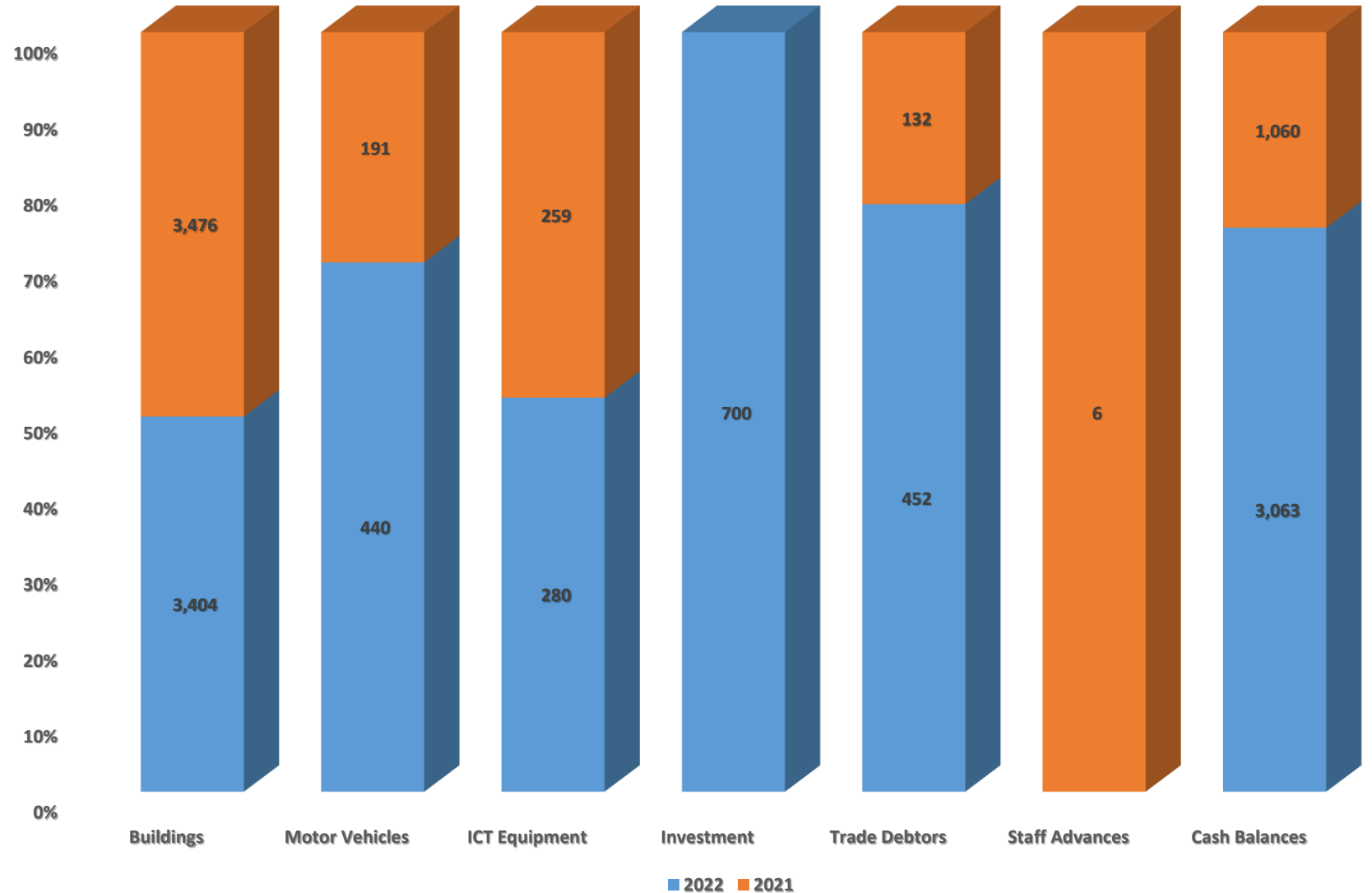
4. Written off according to IFRS 9 Financial Instruments K628,261.





Statement of Financial Position (Balance Sheet)

Assets stood from
ZMW5,124 (2021)
ZMW8,339 (2022) by
63%



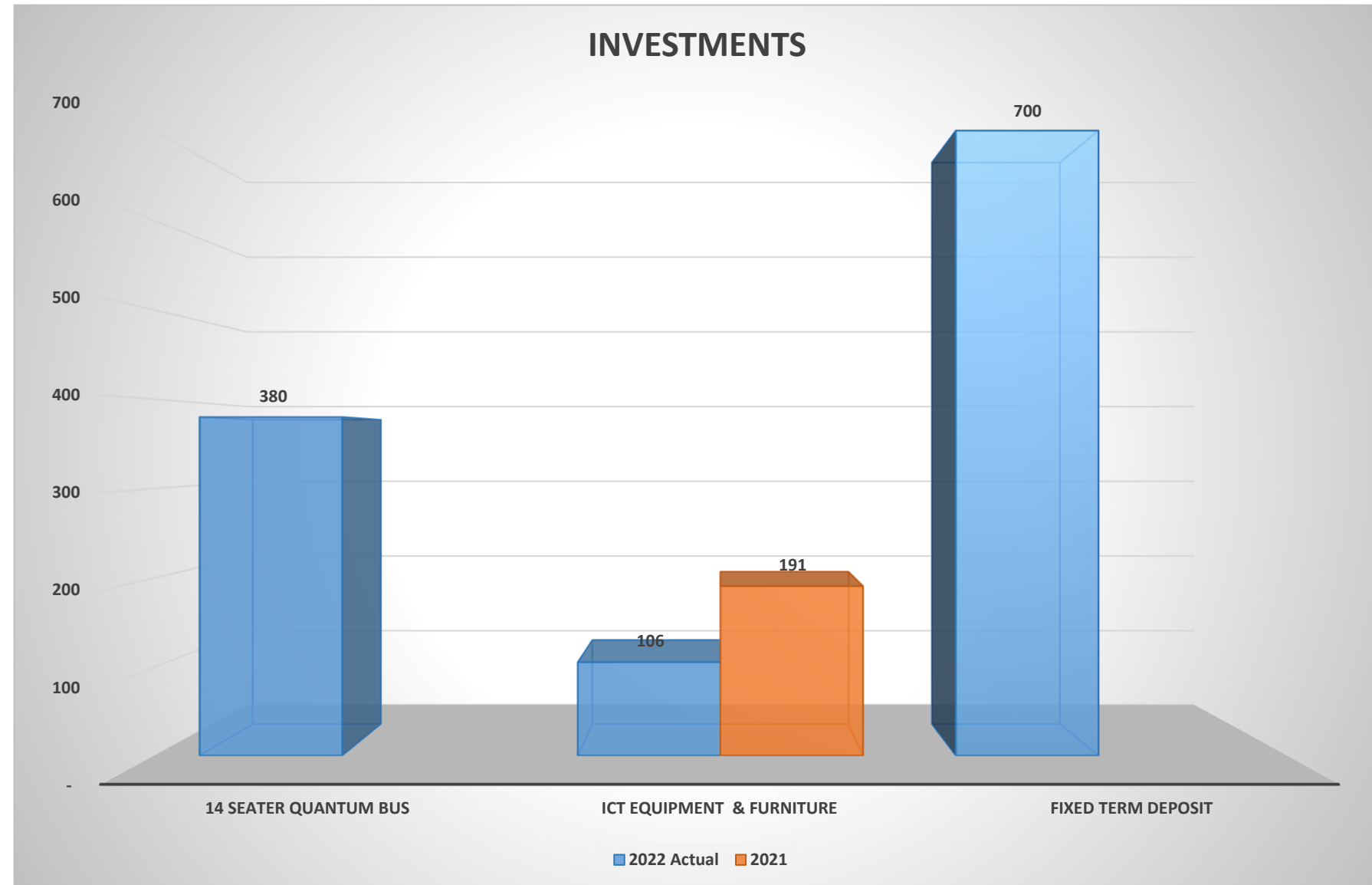
Investing Activities

1. Fixed Assets Acquisition –
Bus and ICT & Furniture

Financial Instruments:

2. Investment policy in place
allows max term of 2 years

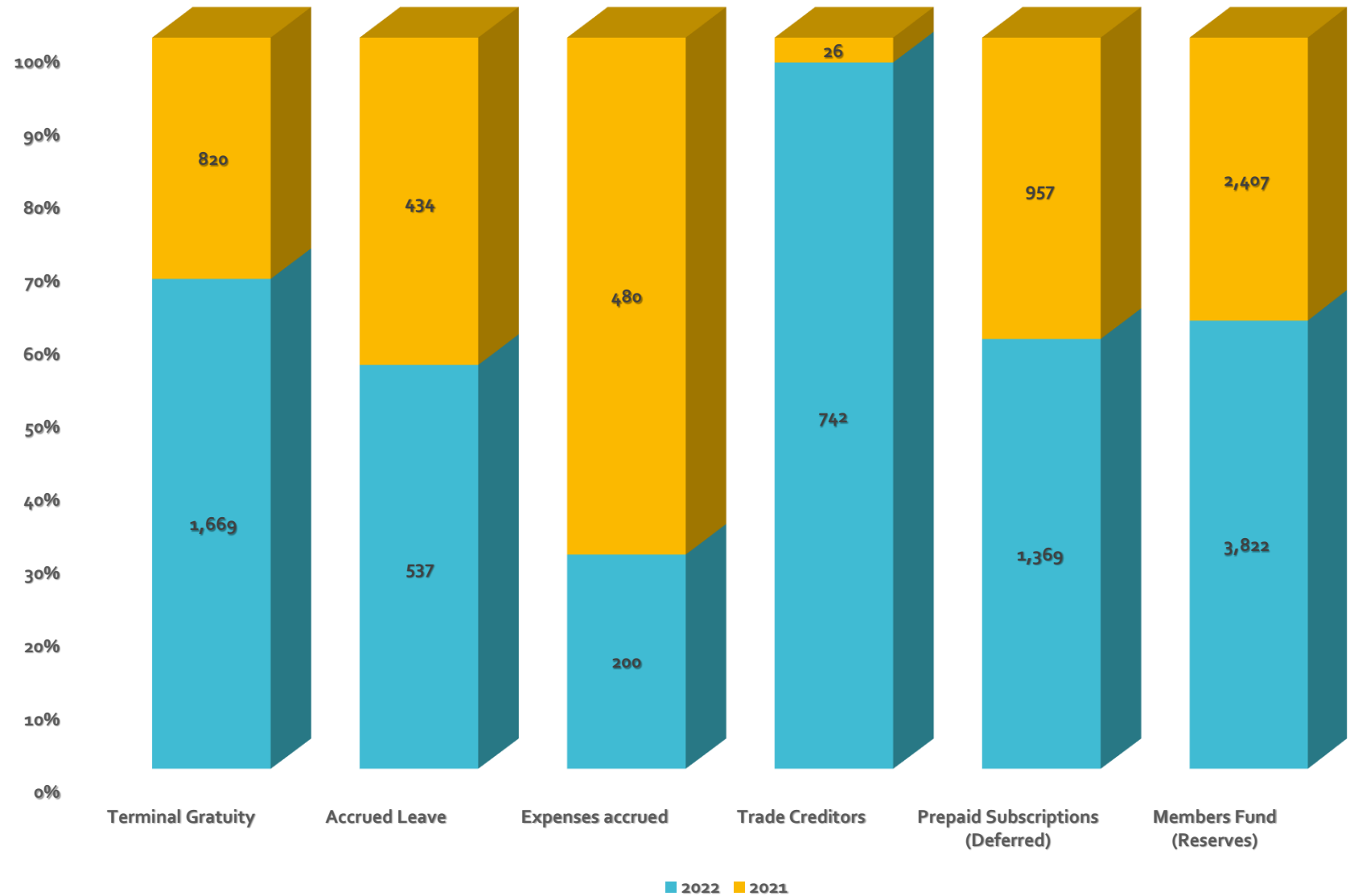
3. Invested in Fixed Deposit
with 9.5% Tenor 6 months
expired on 10/04/2023





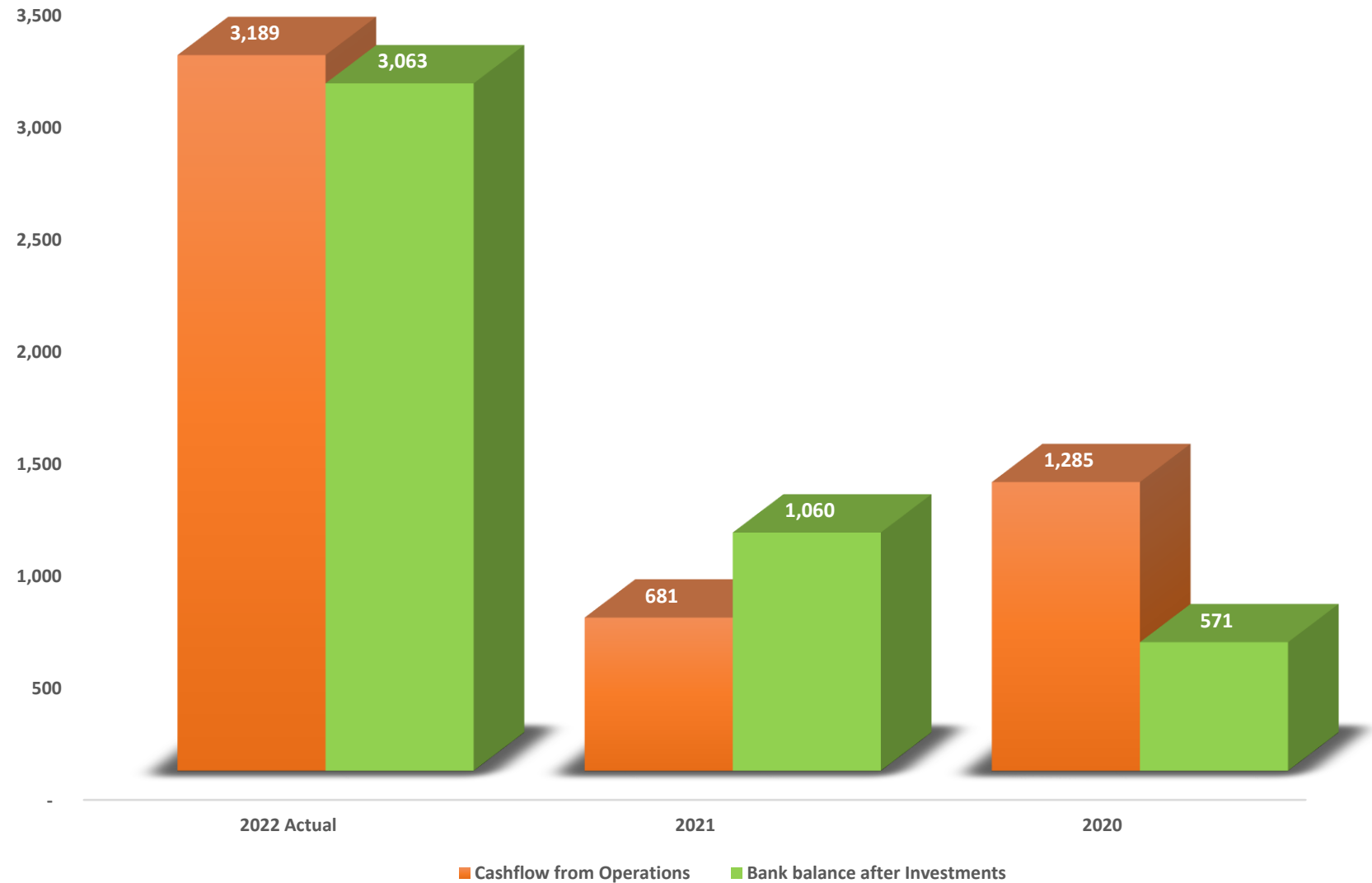
Statement of Financial Position (Balance Sheet)

Liabilities stood from
ZMW5,124 to
ZMW8,339



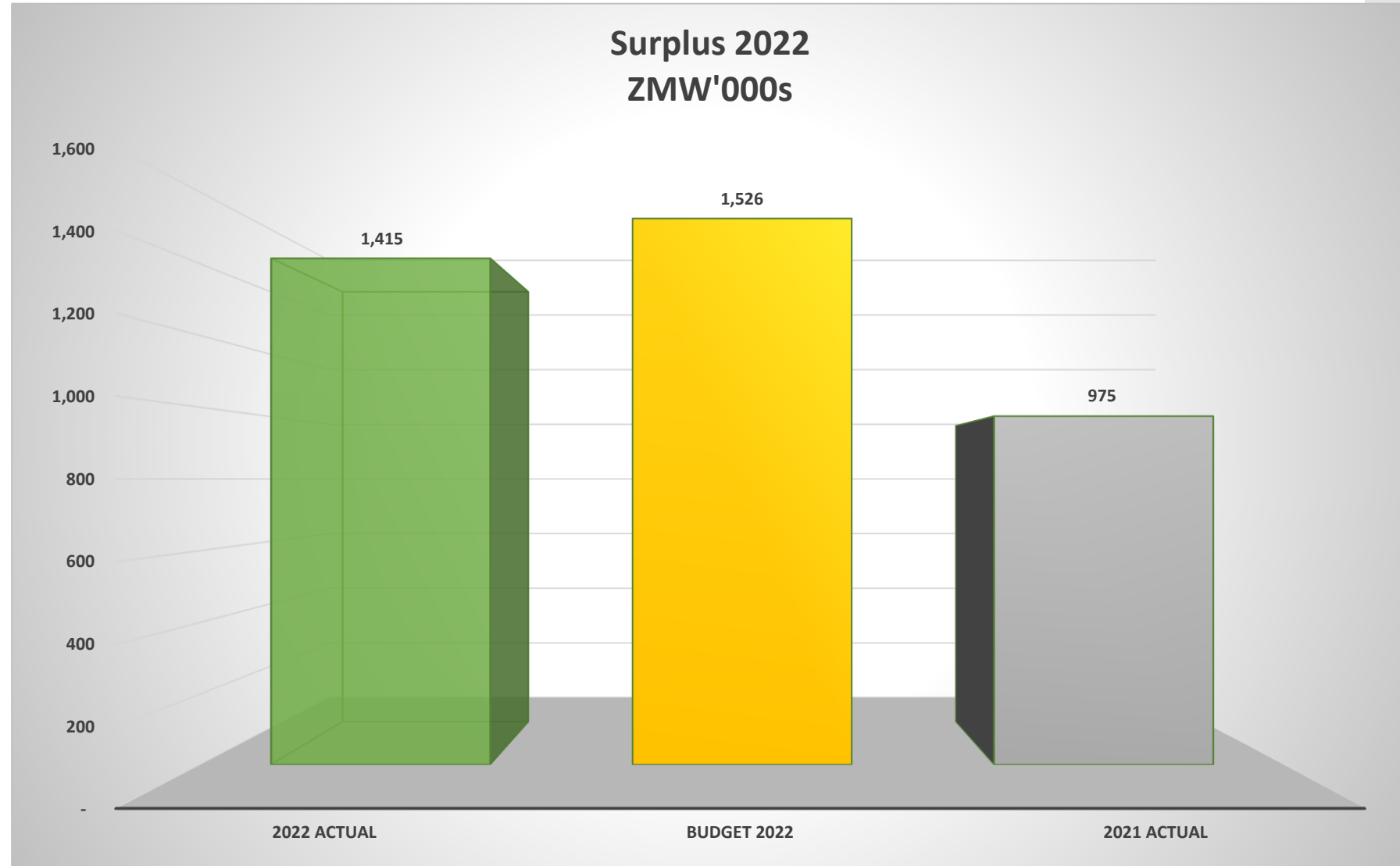
Cashflow Statement

- 1. Achieved Strong Cashflows from Operations 79% over 2021
- 2. The Bank Balance after Investing activities is up 189%.



Income Statement (Surplus Achieved)

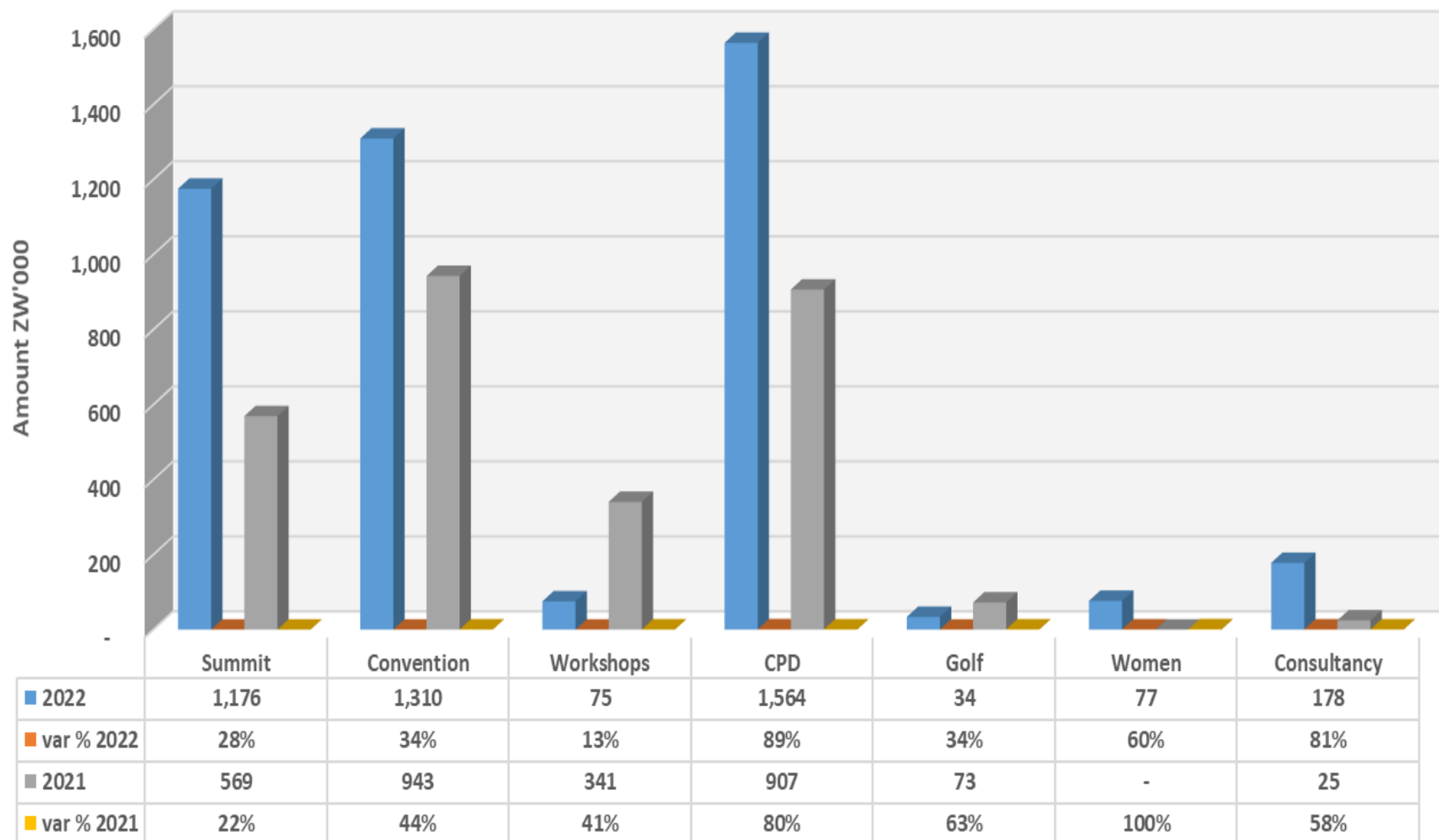
1. Achieved excess over
expense by 45% over 2021.



Income Statement (Surplus Achieved)

1. The Net surplus contribution arise from income streams highlighted.

Income Streams - Net Contribution 2022





		2022	2021	2020	2019	2018	2017	2016	2015	2014
	Paid up Members	5,124	3,969	2,786	2,384	2,838	2,893	2,571	2,058	1,745
1. Income Statement	Income	18,095,067	11,018,500	6,843,810	9,292,717	7,228,628	7,067,837	4,628,019	4,569,727	4,675,348
	Expenditure	(16,680,164)	(10,043,811)	(7,403,393)	(8,663,601)	(6,417,512)	(6,725,408)	(5,005,732)	(4,677,170)	(4,519,339)
	Surplus /(Deficit)	1,414,903	974,689	(559,583)	629,116	811,116	342,429	(377,713)	(107,443)	156,009
2. Financial Position	Fixed Assets	4,124,743	3,925,512	3,970,997	4,028,388	510,796	411,223	71,299	70,340	84,079
	Investments	700,000								
	Net Current Assets/(Liabilities)	(1,002,350)	(1,518,022)	(2,538,194)	(1,260,352)	843,073	142,022	(183,423)	489,317	477,330
	Total Assets	3,822,393	2,407,490	1,432,803	2,768,036	1,353,869	553,245	(112,124)	559,657	561,409
3. Statement of Cashflow	Cashflows	3,062,831	1,060,205	570,684	180,549	1,310,222	622,115	645,360	548,959	441,645
4. Statement of Funds	Members Funds	2,407,490	1,109,861	1,992,386	1,353,869	553,245	(112,124)	348,221	456,164	300,155
	Surplus /(Deficit) Reserves	1,414,903	1,297,629	(559,583)	952,056	800,624	665,369	(460,345)	(107,943)	156,009
	Total Members' Funds	3,822,393	2,407,490	1,432,803	2,305,925	1,353,869	553,245	(112,124)	348,221	456,164

Historical Performance past 9 Years

(For Members noting)

Conclusion



- We have come together this far and we are eager to build on these successes. To have a clear idea of where we are coming from, the financial performance trend analysis for past nine (9) years give you some insights and appreciate the gains made by successive Councils. All of which we salute them!
- Overall, the Institute performed relatively well placing us on strong financial trajectory and set a foundation to execute and invest in the institute value adding programs. These programs will benefit members of this institute and the profession at large going forward.
- This strong performance is only possible with your active participation, which without your support our efforts will be fruitless.
- I wish to thank you and commend the general membership, Council and Secretariat staff in order to make the institute financially sustainable now and beyond.

I thank you for attention !

Let us get
talking

