Citizens Economic Empowerment Commission

ANNUAL REPORT

2020

Citizens Economic Empowerment Commission

2020 Annual Report

About Us

The Citizens Economic Empowerment Commission is a statutory body under the Ministry of Commerce Trade and Industry established through the enactment of the Citizens Economic Empowerment Act No. 9 of 2006 and mandated to foster broad based economic empowerment of the citizenry.

Broad-based economic empowerment is defined in the Act as 'the economic empowerment of targeted citizens, citizen influenced companies, citizen empowered companies and citizen owned companies through diverse but integrated socio-economic strategies that include ownership of productive assets and resources, increasing the levels of employment in the formal sector, increasing household incomes, expanding literacy and skills development, and ensuring preferential procurement and access to services of state institutions.

Vision

A Nation of Economically and Equitably Empowered citizens.

Mission Statement

To foster broad-based economic empowerment of the targeted citizens and companies through diverse and integrated economic strategies to fast-track socio-economic development.

Core Values

The following are the core values to guide the Commission for the period 2017-2021:

- **Accountability, transparency and fairness**
- **Respect for all**
- **Integrity**
- **Efficiency and Effectiveness**
- **Hard Work**
- **Team and supportive spirit**

Using this Report

This report covers the Commission's activities and begins with a message (foreword) from the CEEC Board Chairperson. It is followed by the highlights of strides made in 2019 to foster broad based economic empowerment and concludes by providing outlook on the services and products.

Learn more.
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ACRONYMS

AfDB	African Development Bank
ASF	Aquaculture Seed Fund
CEEC	Citizens Economic Empowerment Commission
CEEF	Citizens Economic Empowerment Fund
DG	Director General
MCTI	Ministry of Commerce, Trade, and Industry
MoU	Memorandum of Understanding
PP	Preferential Procurement
SDEP	Skills Development and Entrepreneurship Project Supporting Women and Youth
TEVETA	Technical Education, Vocational and Entrepreneurship Training Authority
ZAEDP	Zambia Aquaculture Enterprise Development Project
ZICTA	Zambia Information Communication Technology Authority

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TALES

OUR MANDATE

The Citizens Economic Empowerment Commission is a corporate body established through the enactment of the Citizens Economic Empowerment Act No. 9 of 2006 to foster broad-based economic empowerment. Broad-based economic empowerment is defined in the Act as ‘the economic empowerment of targeted citizens, citizen influenced companies, citizen empowered companies and citizen owned companies through diverse but integrated socio-economic strategies that include ownership of productive assets and resources, increasing the levels of employment in the formal sector, increasing household incomes, expanding literacy and skills development, and ensuring preferential procurement and access to services of state institutions. The Commission’s summarized mandate is presented at Figure 1.

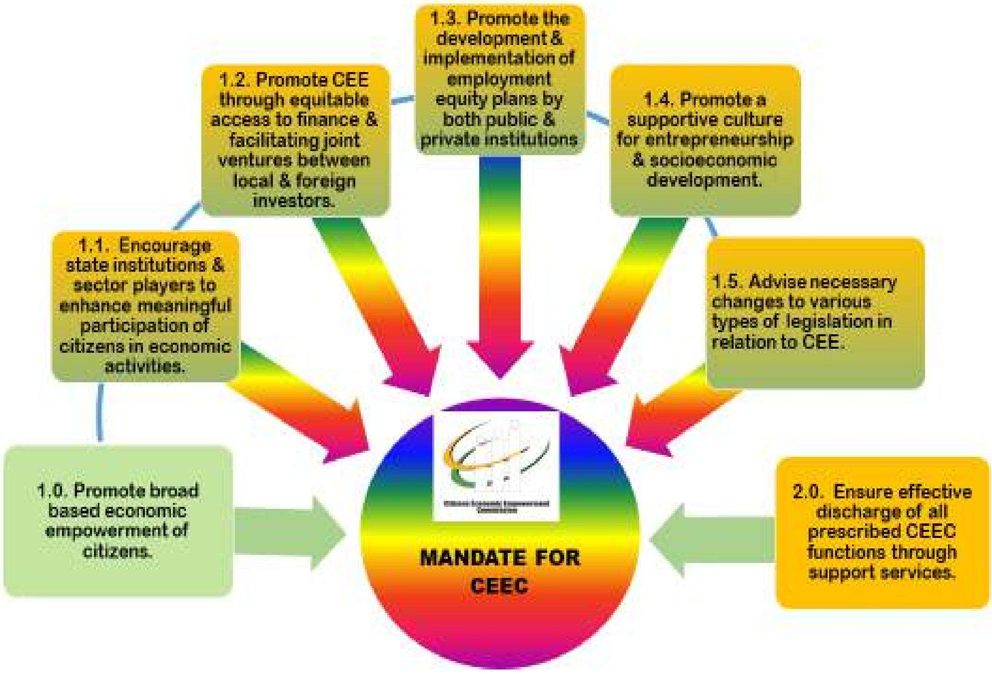


Figure 1 Summarized Mandate of the Commission

THE COMMISSION'S EMPOWERMENT PILLARS

Furthermore, the CEE Act presents the Commission's mandate focusing on nine economic empowerment pillars as shown in Figure 2. The empowerment pillars present focus areas of economic empowerment initiatives for the benefit of the targeted citizens and enterprises, and ultimately the Zambian society. This strategy embraces the need to actualize economic empowerment of the targeted citizens and enterprises based on the nine pillars.

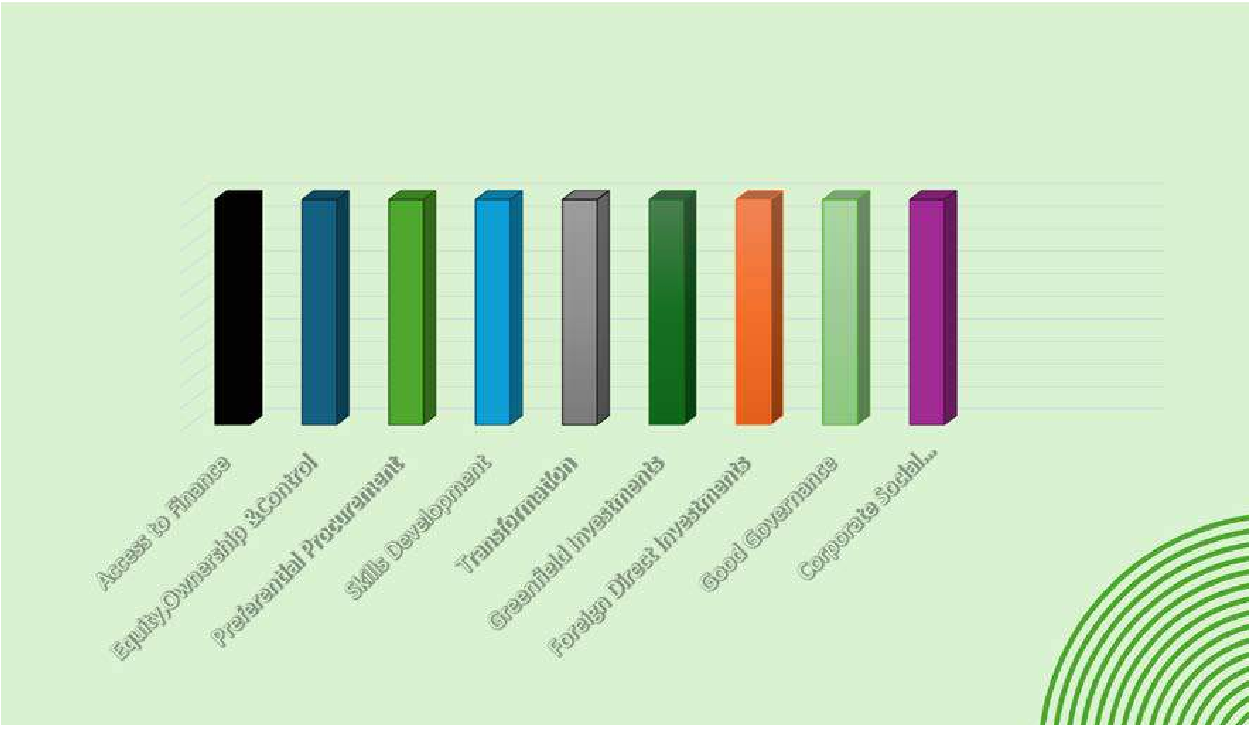


Figure 2 Economic Empowerment Pillars

CHAIRPERSON'S STATEMENT

I am pleased to present the 2020 Annual Report of the Citizens Economic Empowerment Commission (CEEC).

The Commission was established through CEE Act Number 9 of 2006 with a mandate to promote broad based economic empowerment for targeted citizens.

I am very encouraged to report that the Commission has continued to make signicant strides in fullling its mandate. The strategy being

embarked on by the Commission is amongst the most signicant and most broad-based economic empowerment programmes being implemented by the Government. We are leaving no stone unturned to ensure that Zambians in all districts of the country not only fully participate and benet from, but also that they eventually take the lead in the industrial transformation of our country.

The reform process we launched in 2013 has strongly contributed to the notable successes in the following key areas:

1) Disbursed more than K450 million to 5,595 empowerment projects throughout the country, creating about 41,900 jobs.
2) Handed over all cases of misappropriation, misapplication and corruption at CEEC sighted in the Forensic Audit Report of 2012 to appropriate investigative wings of Government.
3) Enhanced geographic equity by allocating 92% of the 5,595 empowerment projects approved by the Commission to rural areas.
4) Have allocated 49% of the of 5,595 empowerment projects approved by the Commission to the women.
5) Have allocated 32% of the empowerment projects approved by the Commission to the youth.
6) Implemented three (3) reservation schemes through Statutory Instrument No. 1 of 2017 (Reservation Scheme in Poultry and Domestic Haulage), and Statutory Instrument No. 22 of 2019 (Reservation Scheme in Commercial Cleaning).
7) 100% physical completion of construction of ve (5) Industrial Yards in Chipata, Kasama, Mongu, Ndola and Solwezi Districts

The CEEC programme is showing promising success and is rapidly bringing citizen-driven industrialization to the rural areas. The Commission has now become the leading arm of Government in rural industrialization. Examples of medium scale manufacturing plants that were either operational or under installation include the following; mango juice processing and water-bottling in Mongu, starch production from cassava in Solwezi, stock feed production in Kasama and Chipata, maize milling in Nakonde, rice processing in Chama, peanut butter production in Mungwi and cotton ginning in Mumbwa.

To empower Zambians in the livestock sector, the Dairy Value Chain Development Programme has been rolled out to Southern, Muchinga, Northwestern and Copperbelt provinces, while Southern Province has also beneted from successful implementation of Beef Value Chain projects such as feedlotting in Namwala District.

To help redress the shortage of sh production in the country while giving Zambians a strong hand in the aquaculture subsector, commercial sh hatcheries were funded and fully operationalized in Nchelenge, Siavonga, Kitwe, Kasama, Chinsali, Chirundu, and Kaoma Districts. Other success stories in the sector have included support to table-sh farming projects in 35 rural districts of the country.

Support to tourism projects continued to be very strong in Southern Province particularly in Livingstone and Choma Districts, while renowned investments in the education sector have included the Chengelo School of Nursing in Kasama District, the University of Lusaka, Dove Nursing School and Shuttle Primary School in Lusaka District as well as Cina Primary School in Kitwe District.

In the energy sector, the Commission has extended support to the establishment of new lling stations in Chirundu, Zambezi and Shiwang'andu Districts, while there is an aviation fuel supply project based in Mfuwe.

In the Year under review the Commission continued to serve as Fund Manager for the Ministry of Fisheries and Livestock's Aquaculture Seed Fund, the Cashew Matching Grant Fund Facility for the Ministry of Agriculture and the Presidential Arts Development and Empowerment Scheme for the National Arts Council, all representing an asset under management value of over K590 million.

Our successes did not come without challenges. The rst wave of the COVID-19 pandemic incapacitated many of our clients and severely constrained our eld operations. The very low levels of empowerment and operational funding continued to inhibit the Commission from achieving much more. Nevertheless, the conviction of the Commission is that tangible progress must continue to be made notwithstanding the challenges being faced.

We remain indebted to the Ministry of Commerce, Trade and Industry for its positive facilitative role. I extend special thanks to the Zambian people for their ever-increasing engagement and cooperation with the Commission. I am particularly proud of the un inching commitment of the Board, Management and Staff that led to the good results in 2020.

Col. Nkunga C. Mulenga DFS, psc (Rtd)
CHAIRPERSON

DIRECTOR GENERAL'S STATEMENT

The Commission during the Year under review made progress towards the implementation of activities in line with the four strategic objectives.

a) Strategic Objective (SO)-1: More Conducive Policies, Laws & Regulation

i) Internally Generated Revenue: The Commission anticipated an annual internally generated income of ZMW17.524 million of which K10 million was achieved for the Year ended 31st December 2020. The shortfall in income generation was mostly attributed to the delayed commencement of disbursements under the Aquaculture Seed Fund which accounted for most of the projected Facility Fee income.

ii) Financial Performance: As of the Year under review, the Commission's nancial performance improved tremendously from the same period the previous Year. Income was up 242%, while expenditure rose by 22% from the same period the previous Year, resulting in a Net Operating surplus of ZMW21.966 million. Equally, total assets increased by 33%, with Cash and Cash equivalents going up by 105%. Short term obligations reduced by 50% while the current ratio increased by 181% showing the Commission's ability to meet its obligations.

iii) Preferential Procurement: During the Year under review, the Commission issued One Thousand Three Hundred and Twenty-Five (1,325) letters of Preferential Procurement (PP) Certication to companies owned by targeted citizens against an annual target of Two thousand (2000). This brought the total number of letters issued since inception to Sixteen Thousand Two Hundred and Seventy-Two (16,272). Governments' constricted scal policy and the impact of COVID-19 saw a signicant reduction in business operations leading to fewer tenders being floated thereby affecting local businesses negatively.

b) Strategic Objective (SO)-2 Improved Business Development Services (BDS)

i) Jobs Created: During the Year under review, a total of 13,112 jobs were created against an annual target of Thirty Thousand (30,000). Out of the 13,112 jobs created, 8,881 were youths and 4,230 were above 35 years. 4,229 were women whilst 8,883 were men, 3 out of 8,881 youths were physically challenged. Out of the 13,112 jobs created during the year under review 10,440 were temporal jobs whilst 2,672 were permanent jobs.

ii) Number of clients that received business development plan support: The Commission during the Year under review provided business plan development support to Eight Hundred and Fifty-Two (852) citizens against an annual target of One Thousand Six Hundred (1,600). The shortfall in business plan development support was mostly attributed to the delayed commencement of disbursements under the Aquaculture Seed Fund which was supposed to account for most of the projected business plan development support.

c) Strategic Objective (SO)-3 Increased Access to Finance

   i) Rural share of projects: During the Year under review, the rural share of approved projects reached 72% towards the target of 86% for 2020 and 90% for the 2017-2021 strategic planning period.

   ii) Social distribution of funded projects: During the Year under review, against the 2020 targets of women 30%, youth 40%, men 70% and disabled 2%, social distribution of the number of funded projects were 49% women, 32% youth, 51% men and 1% disabled

   iii) Number of clients funded: During the Year under review, the Commission funded 2,905 clients. This was against the target of 1,600 clients.

   iv) Value of projects funded: During the Year under review, the Commission disbursed ZMW138,015,315.64 against a target of ZMW50,000,000 for 2020. This was the highest annual disbursement value recorded by the Commission since inception in 2008.

   v) Contribution to Industrialization: During the Year under review, total disbursements to investments in manufacturing projects stood at 10.1%, down from 14% the previous Year. This highlighted the need for the Commission to have more discretionary empowerment funds to enable it directly influence the value of empowerment funds applied to manufacturing.

d) Strategic Objective (SO)-4 Increased Access to Competitive Markets: During the Year under review, the Commission facilitated One Hundred and Sixty-Seven (167) market linkages against a yearly target of twenty-eight (28).

During the Year under review, the Commission faced the following challenges amongst others:

   i) The Outbreak of the COVID- 19 pandemic negatively impacted the construction of the Industrial Yards, Warehouses and Bulking Centers and had therefore increased completion timelines;

   ii) Obsolete equipment & furniture continued to hinder the effectiveness of the various departments. Computer equipment was slow due to age and requires constant maintenance. Furthermore, other classes of Assets such as Motor Vehicles also require huge expenditure on repairs and maintenance due to age.

iii) The manpower strength as at the end of the Year 2020 stood at 52 against an establishment of 104. Low staff levels experienced at the Commission, continued to constrain performance of some of the results areas.

iv) Notwithstanding some challenges, the Commission achieved its highest ever annual value of disbursements to empowerment projects, registering ZMW138,015,315.64 as at 31st December 2020, the highest annual disbursement value recorded by the Commission since inception in 2008.

Likando Mukumbuta
DIRECTOR GENERAL

1. INTRODUCTION AND INSTITUTIONAL OVERVIEW

1.1 Introduction

The following report is a presentation of progress made in the programme implementation by the Citizens Economic Empowerment Commission (CEEC) for the year ended 31st December 2020.

The report starts with the policy and legal framework from which the Commission draws its mandate, the Board of Commissioners, the Vision, Mission Statement, and its Core Values. The report highlights activities and achievements undertaken by the Commission in the year under review, challenges and concludes with a focus for the Year 2021.

The Commission is responsible for investing and administering the Citizens Economic Empowerment Fund (CEEF), which has by law been established under Part IV of the CEE Act No.9 of 2006. The purpose of the Fund is to support the development of broad-based economic empowerment programmes and is the principal vehicle through which the Commission provides interest bearing business loans to targeted citizens.

1.2 Functions of the Commission

(1) The functions of the Commission shall be to promote the empowerment of citizens that are or have been marginalized or disadvantaged and whose access to economic resources and development capacity has been constrained due to various factors including race, sex, educational background, status and disability.

(2) Without limiting sub-section (1), the functions of the Commission shall be to:

a) advise on the necessary changes to various types of legislation for the effective delivery of economic empowerment initiatives;

b) promote gender-equality in accessing, owning, controlling, managing, and exploiting economic resources;

c) encourage effective and meaningful participation of targeted citizens in the economy in order to contribute to sustainable economic growth;

d) promote the employment of both gender by recommending to appropriate authorities the removal of structural and discriminatory constraints and practices that hinder any particular gender from employment opportunities;

e) ensure equal opportunities for, and where necessary, ensure preferential treatment to, targeted citizens, citizen empowered companies, citizen influenced companies and citizen owned companies in accessing procurement contracts and other services of any state institutions;

f) promote the subcontracting of services, material and equipment from targeted citizens, citizen empowered companies, citizen influenced companies and citizen owned companies;

g) mobilise resources for economic empowerment programmes;

h) review the framework for the provision of development services to micro and small business in response to changing circumstances;

i) develop or facilitate the development of sector codes and codes of good practice for economic empowerment;

j) commission and conduct research for economic empowerment;

k) develop innovative ways of creating business opportunities such as identifying services which State Institutions need to outsource;

l) develop business ideas and import business ideas from other countries and disseminate such ideas to targeted citizens in order to interest them in developing those ideas into business ventures;

m) undertake information, education and communication activities for targeted citizens, citizen empowered companies, citizen influenced companies and citizen owned companies on various empowerment schemes available;

n) promote a savings culture amongst citizens;

o) explore ways of fostering business linkages, such as joint ventures and partnerships in Greenfield investments;

p) keep under review the economic empowerment policy;

q) propose changes to Zambia's education curricula in order to inculcate an entrepreneurial culture amongst citizens;

r) promote or undertake a civic education and awareness programme which will ensure an orientation of all institutions and persons to the maintenance of a positive work culture;

s) encourage increased investments in education and training in the labour market;

t) encourage the use of the workplace as an active learning environment;

u) encourage public and private institutions to provide opportunities to targeted citizens to acquire necessary skills training and work experience; and

v) monitor and evaluate economic empowerment initiatives.

(3) In carrying out its functions, under sub-section (2), the Commission shall take into account and be consistent with;-

a) any sectoral programmes developed by the Government in its national development plans;

b) any policies of the Government relating to decentralisation, gender youth, technical education and vocational training, land, trade, commerce, and investment; and

c) any initiative of the Government for the enhancement of partnerships and joint ventures between local and foreign investors.

(4) In the performance of the Commission's functions under this Act, the Commission shall effectively liaise and consult appropriate state institutions or directions to any state institution or a company for the purpose of fulfilling the Commission's mandate under this Act.

(5) The Commission shall develop and recommend to the President criteria to test the means of targeted citizens so as to distinguish those citizens that have the capacity to sustain themselves and the President shall prescribe those criteria.

(6) The President may give to the Commission such general or specific directions with respect to the discharge of its functions as the President considers necessary and the Commission shall give effect to such directions.

(7) The Commission may, after the approval of the Minister, enter into agreements with any organisation or institution on any matter relevant to the carrying out of the Commission functions under this Act;

1.3 Governance Structure

1.3.1 List of Commissioners

Pursuant to the provisions of the Citizens Economic Empowerment Act No. 9 of 2006, the Republican President of the Republic of Zambia through the Minister of Commerce, Trade and Industry appointed the Board of Commissioners which comprises twelve (12) members whose mandate is to oversee the way the Commission executes its mandate to realise its vision of an equitable and economically empowered citizenry economic. The list of Commissioners was as follows:

Table 1 Board of Commissioners

No.	Name of Commissioner	Title
1	Col. Nkunga C. Mulenga DFS, psc (Rtd)	Chairperson
2	Mrs. Emelda Chabala-Melele	Vice Chairperson
3	Mr. Fredson Yamba	Secretary to the Treasury

No.	Name of Commissioner	Title
4	Mr. Mushuma Mulenga	PS, MCTI
5	Mr. Chanda Kaziya	PS, Ministry of Labour
6	Mr. Likando Kalaluka, SC	Attorney General
7	Dr. David Nama	Member
8	Mr. Costa Mwaba	Member
9	Mr. Sunday Chanda	Member
10	Ms. Bridget Sule	Member
11	Mr. Mulenga Musepa	Zambia Statistics Agency
12	Dr. Stella Zulu Chisanga	Representing Universities

The Chairperson of the Commission is appointed by the President of the Republic of Zambia, whereas the Vice-Chairperson is appointed by the Commissioners. The board is also responsible for, among other things, the appointment of the Director General who oversees five directorates namely, Finance, Credit and Risk, Business Development, Corporate Services and Legal Services.

Commissioners are appointed for a term of three (3) years and are eligible for re-appointment for one further term of 3 years. Commissioner Yamba was represented in proxy by Mr. Hilary Mwansa during the Year under review.

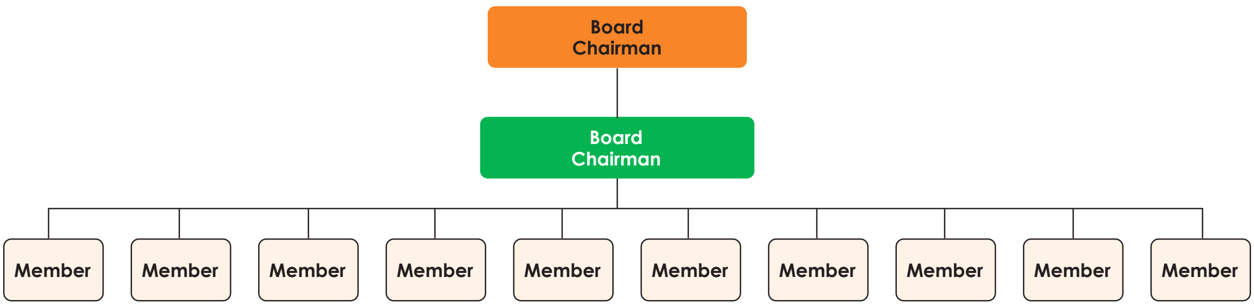


Figure 3 CEEC Board Structure

1.3.2 Executive Committee

The Director General oversees the Executive Committee and the Commission's daily operations assisted by five Directors namely, Finance, Credit and Risk, Business Development, Corporate Services and Legal Services.

2. STRUCTURE OF THE COMMISSION

2.1 Departments and Functions

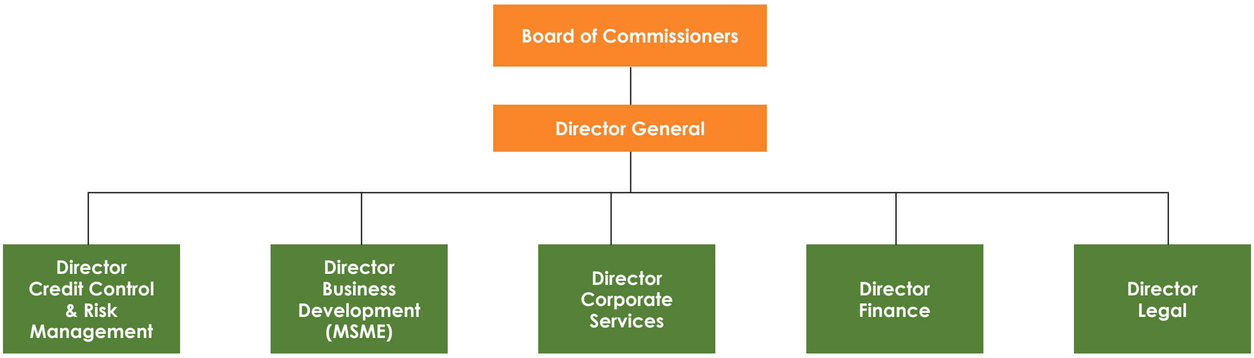


Figure 4 Executive Committee

3. THE YEAR AT A GLANCE

A presentation of progress in programme implementation for the Year ended 31 December 2020 is as follows:

3.1 CEEC Board Supervision Visits

Project oversight visits for the new Board of Commissioners were facilitated in order to familiarise them with the projects that the Commission had been implementing. The projects visited included those under the Aquaculture Seed Fund, Cassava Commercialisation, Cashew Matching Grant Facility, the Industrial Yards and the Value Chain Development Programs.

Figure 5 Chairperson's & Commissioners' visit to Northern Province Cooperative Marketing Union in Kasama

Figure 6 CEEC Board Chairperson monitoring the progress of the stocked fish on Lake Kariba

Figure 7 Interaction with some CEEC Board members and staff during a tour of PremierCon Starch Processing Plant in Kalumbila district 4

Figure 8 Commissioners touring the Mongu Industrial Yard.

4. STRATEGIC OBJECTIVES

4.1 Policy, Regulatory and Operational Environment

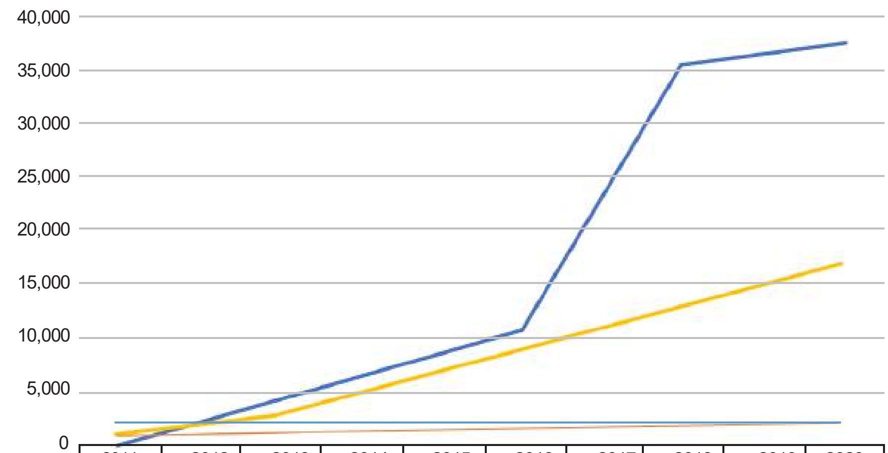
The Key Performance Indicators (KPIs) for this Strategic Objective include, the Number of Preferential Procurement Certification Letters Issued, and the Reservation of Areas of Commerce, Trade, and Industry (CTI) for targeted citizens.

KPI	2020 Achieved	
KPI 5: Areas of Commerce, Trade and Industry (CTI) Reserved for Targeted Citizens. Key: This is a process indicator with five stages of achieved progress: 1. Selection; 2. Research; 3. Submission of recommendations to MCTI; 4. Cabinet Approval; 5. Legislation; and 6. Implementation. The Commission is accountable for stages 1, 2, 3 and 6.	**Reservation Scheme**	**Process Indicator**
	Block Making	4
	Implementation of Customs and Excise (Clearing and Forwarding Services)	3
	Salons and Barbershops	2

4.2 Key performance indicator 4: preferential procurement certification letters issued

The Commission issued One Thousand Three Hundred and Twenty-Five (1,325) letters of PP Certification to companies owned by targeted citizens.

Figure 9 presents the cumulative total number of PP letters that have been issued in the period 2011 – 2020.



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Planned	1,000	1,000	1,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Planned Cumulative	1,000	2,000	3,000	5,000	7,000	9,000	11,000	13,000	15,000	17,000
Actual Cumulative	184	2,010	4,342	6,569	8,604	10,374	22,320	35,469	36,437	37,762

Figure 9 Number of MSMEs that received PP Certification 2011 – 2020

4.3 Increased Access to Business Development Services

In order to contribute to industrialisation, economic diversification and job creation, the Commission undertakes various business development and implementation support activities to ensure smooth entry, survival, productivity and competitiveness of the supported MSMEs. This is done for MSMEs at all stages from initial application through to access to markets.

8.4 Jobs Created

A total of 13,112 jobs were created. This brought the cumulative number of jobs created to 41,918; an increase from 28,806 jobs recorded in 2019. Table 2 depicts the number of jobs created in the four quarters of the year ended 31 December 2020.

Table 2 Number of Jobs Created per Province During the Year

S/n	Province	Q1 2020	Q2 2020	Q3 2020	Q4 2020
1	Central	0	1,592	288	62
2	Copperbelt	71	80	398	404
3	Eastern		96 1,559	1,710	11
4	Luapula	4 246	321	706	
5	Lusaka	0	265	268	135
6	Muchinga	0	79	136	0
7	Northern	42	432	586	915
8	Northwestern	132	0	410	413
9	Southern	0	717	358	44
10	Western	72	373	140	47
Sub Total		**417**	**5,343**	**4,615**	**2,737**
Total					**13,112**

4.4 KPI 7: Number of Clients Approved For Funding That Received Business Plan Development Support

The Commission provided Business Plan Development Support to Eight Hundred and Fifty-Two (852) clients. This was done for supported MSMEs, at all stages, from initial application through to access to markets to ensure smooth entry, survival, productivity and competitiveness.

Figure 10 CEEC Provincial Coordinator-Central Province, Mwaka Chileshe, conducting training for incubates in Mwekera.

4.5 Increased Access to Competitive Markets

4.5.1 Market Linkage Facilitation

The Commission facilitated **One Hundred and Sixty-Seven (167)** market linkages.

4.6 Access To Finance

4.6.1 Provision of Empowerment Funds

The Commission disbursed K138,015,315.64 to 2,905 projects. This was the highest annual disbursement value recorded by the Commission since inception in 2008.

The cumulative amount disbursed of K450,718,914.97 for the empowerment funds exceeded the amount released by Treasury of K294 million, representing a disbursement rate of 55% above Treasury releases, thereby demonstrating that the Commission had been diversifying its investment opportunities to realise the much-needed capital funding liquidity outside the Treasury funding.

4.7 Application of Empowerment Funds

4.7.1 Direct Treasury Funding (Including Revolving Fund)

The Commission had, since its inception, cumulatively received K294,181,000.00 in empowerment funding from Treasury, of which, K284,181,000.00 had been disbursed. In August 2020, the Commission received K10,000,000 that was reserved for contribution towards the financing of business loans to operationalise Industrial Yards in the First Quarter of 2021.

Table 3 ***shows more Treasury commitment towards releasing empowerment funds between 2008 and 2020.***

Year	Amount approved by Parliament (ZMW)	Amount released by Treasury	% of released funds	Funding Variance (ZMW)
2008	150,000,000.00	96,181,000.00	64%	(53,819,000.00)
2009	40,000,000.00	40,000,000.00	100%	(0.00)
2010	25,000,000.00	22,000,000.00	88%	(3,000,000.00)
2011	40,000,000.00	18,000,000.00	45%	(22,000,000.00)
2012	47,000,000.00	25,000,000.00	53%	(22,000,000.00)
2013	53,000,000.00	53,000,000.00	100%	(0.00)
2014	57,000,000.00	5,000,000.00	9%	(52,000,000.00)
2015	82,000,000.00	10,000,000.00	12%	(72,000,000.00)
2016	187,500,000.00	0.00	0%	(187,500,000.00)
2017	35,163,540.00	15,000,000.00	43%	(20,163,540.00)
2018	42,743,410.00	0.00	0%	(42,743,410.00)
2019	46,681,002.00	0.00	0%	(46,681,002.00)
2020	11,000,000.00	10,000,000.00	91%	(1,000,000.00)
TOTAL	**817,087,952.00**	**294,181,000.00**	**36%**	**(522,906,952.00)**

Table 3 Performance of Treasury Releases of Empowerment Funds 2008-2020

Year	Amount approved by Parliament (ZMW)	Amount released by Treasury	% of released funds	Funding Variance (ZMW)
2008	150,000,000.00	96,181,000.00	64%	(53,819,000.00)
2009	40,000,000.00	40,000,000.00	100%	(0.00)
2010	25,000,000.00	22,000,000.00	88%	(3,000,000.00)
2011	40,000,000.00	18,000,000.00	45%	(22,000,000.00)
2012	47,000,000.00	25,000,000.00	53%	(22,000,000.00)
2013	53,000,000.00	53,000,000.00	100%	(0.00)
2014	57,000,000.00	5,000,000.00	9%	(52,000,000.00)

Year	Amount approved by Parliament (ZMW)	Amount released by Treasury	% of released funds	Funding Variance (ZMW)
2015	82,000,000.00	10,000,000.00	12%	(72,000,000.00)
2016	187,500,000.00	0.00	0%	(187,500,000.00)
2017	35,163,540.00	15,000,000.00	43%	(20,163,540.00)
2018	42,743,410.00	0.00	0%	(42,743,410.00)
2019	46,681,002.00	0.00	0%	(46,681,002.00)
2020	11,000,000.00	10,000,000.00	91%	(1,000,000.00)
TOTAL	**817,087,952.00**	**294,181,000.00**	**36%**	**(522,906,952.00)**

Table 4 presents the number of projects disbursed by the Commission directly from Treasury empowerment funds. As at 31st December, 2020, the Commission had 3,833 funded projects. In terms of value, the Commission was sitting at K386.7 million cumulative value of Treasury funded projects.

Table 4 Direct Treasury Funded Number of Projects Funded by Province

S/N	Province	Cumulative No. of Projects as at Q3 2020	Actual No. of Projects Q4 2020	Cumulative No. of Projects as at Q4 2020	Share of the Project
1.	Central	317	0	317	8%
2.	Copperbelt	325	0	325	8%
3.	Eastern	344	0	344	9%
4.	Luapula	213	0	213	6%
5.	Lusaka	402	0	402	10%
6.	Muchinga	294	0	294	8%
7.	Northern	629	0	629	16%
8.	North-Western	274	0	274	7%
9.	Southern	426	0	426	11%
10.	Western	609	0	609	16%
	TOTAL	**3,833**	**-**		**100%**

4.7.2 Disbursement of the Cashew Matching Grant Fund Facility

The Government of the Republic of Zambia, is through the Ministry of Agriculture with support from the African Development Bank, implementing the Cashew Infrastructure Development Project (CIDP) in targeted districts of Western Province, with the aim of reviving the Cashew subsector, and is one of the Government's priority projects. The Ministry of Agriculture appointed CEEC as the Fund Manager of the Matching Grant Facility of the Project.

Following two (2) Calls for Applications, the CEEC Board approved 123 projects from the ten target districts. As at 31st December, 2020, the Commission had disbursed grants amounting to K15,603,281.68 to implement projects and feasibility studies along the

Cashew Value Chain in the target districts of the Project. Table 5 presents the type of projects that have received disbursements.

Table 5 Distribution of Disbursements by Project Type under the Cashew Matching Grant

Value Chain	Project Type	Number of Projects	Amount Disbursed (ZMW)	% Disbursed
Cashew	Marketing	1	70,000.00	1%
Cashew	Processing	10	4,586,774.21	8%
Cashew	Production	102	5,960,686.80	83%
Cashew	Storage & Handling	4	418,101.00	3%
Cashew	Intergrated	5	4,485,789.64	4%
Cashew	Feasibility Study	1	81,930.03	1%
TOTAL		**123**	**15,603,281.68**	**100%**

4.7.3 Disbursement of the Aquaculture Seed Fund

The Government of the Republic of Zambia, through the Ministry of Fisheries and Livestock with support from the African Development Bank, is implementing the Zambia Aquaculture Enterprise Development Project (ZAEDP) whose objective is to contribute to economic growth as well as provide food and nutrition security in Zambia. The Ministry of Fisheries and Livestock is the Executing Agency while the Department of Fisheries (DoF) is the Implementing Agency.

The DoF appointed CEEC as its Implementing Partner for the ASF. The ASF was to facilitate the development of at least 2,924 MSMEs along the Aquaculture Value Chain (at least 2,400 competitive smallholder fish producers in pond and cage culture, and at least 500 other value chain actors).

4.7.4 Disbursement to Fish Hatcheries and Nurseries

The Commission made cumulative disbursements of K119,954,927.23. Table 6 provides a summary of the disbursements by Project Type.

Table 6 Summary of Disbursements to Aquaculture Business Loans in 2020

Province	Approved Business Loans		Disbursement Details			
	Number	Amount (K)	Number	Amount (K)	Number	Amount (%)
Central	74	14,294,603.80	70	9,907,532.30	95%	69%
Copperbelt	114	18,908,961.81	100	8,225,478.88	88%	44%
Eastern	71	13,586,083.45	68	5,629,619.64	96%	41%
Luapula	114	32,116,284.23	100	24,457,132.65	88%	76%
Lusaka	163	24,135, 447.09	160	8,955,036.59	98%	37%
Muchinga	97	12,577,418.26	90	7,415,408.65	93%	59%

Province	Approved Business Loans		Disbursement Details			
	Number	Amount (K)	Number	Amount (K)	Number	Amount (%)
Northern-Western	136	26,563,263.10	128	16,300,277.55	94%	61&
Northern	171	27,866,629.80	160	13,682,224.08	94%	49%
Southern	103	16,540,742.15	100	12,301,759.91	97%	74%
Western	165	17,400,443.18	159	13,050,456.98	96%	75%
Consolidated Total		**203,989,876.87**		**119,954,927.23**	**94%**	59%

4.7.5 Disbursement to Fishpond and Cage Culture Loan Beneficiaries

The Commission disbursed K76.371 million to loan beneficiaries under the Micro Finance Projects category. To mitigate against the risk of diversion of funds by clients, the Commission made disbursement in two phases and loan payments made directly to suppliers identified by the clients.

The first phase of disbursement was made towards digging of fish ponds and construction of fish cages by loan beneficiaries in the districts. The second and final phase of disbursement was to allow for purchase of fingerlings and fish feed in readiness for stocking of the certified ponds and cages by the beneficiaries.

Five Hundred and Thirteen (513) smallholder fish farmers had their ponds and cages certified by the DoF, whereas CEEC made full disbursements to 462 fish farmers; translating into a disbursement rate of 90%. A summary of the disbursement status in Phase 1 and Phase 2 to Micro Finance Business Loans is presented in Table 7 and 8 respectively.

Table 7 Disbursement to Micro Finance Business Loans in Phase 1

Province	Number	Amount (ZMW)	Number	Amount (ZMW)	Num (%)
Central	71	9,142,033.80	71	873,300.00	100%
Copperbelt	105	13,002,455.60	101	1,242,300.00	96%
Eastern	63	7,878,440.12	59	5,875,763.20	94%
Luapula	153	15,385,242.00	151	1,857,300.00	99%
Lusaka	94	11,906,325.80	92	1,131,600.00	98%
Muchinga	93	9,283,183.00	87	1,070,100.00	94%
Northern	167	20,108,962.60	163	2,110,850.00	98%
Northwestern	128	16,122,238.40	124	1,575,400.00	97%
Southern	98	14,076,140.20	94	688,800.00	96%
Western	164	16,292,121.30	162	1,992,600.00	99%
Total	**1,136**	**133,197,142.82**	**1,104**	**18,417,013.20**	**97%**

Table 8 Disbursement to Micro Finance Business Loans in Phase 2

Province	Number	Amount (ZMW)	Certified (DoF)	Paid (CEEC)	Amount (ZMW)	Num (%)
Central	71	9,142,033.80	51	51	6,568,177.80	100%
Copperbelt	105	13,002,455.60	57	53	6,825,753.40	93%
Eastern	63	7,878,440.12	29	29	3,734,846.20	100%
Luapula	153	15,385,242.00	47	33	4,249,997.40	70%
Lusaka	94	11,906,325.80	59	59	7,598,480.20	100%
Muchinga	93	9,283,183.00	41	40	5,151,512.00	98%
Northern	167	20,108,962.60	128	115	14,810,597.00	90%
Northwestern	128	16,122,238.40	55	52	6,696,965.60	95%
Southern	98	14,076,140.20	73	73	9,401,509.40	100%
Western	164	16,292,121.30	90	88	11,333,326.40	98%
Total	**1,136**	**133,197,142.82**	**630**	**593**	**76,371,165.40**	**94%**

4.7.6 Disbursement to Fish Farming Input Supply and Integrated Business Loans

The Commission disbursed a total of K51.515 million to forty-nine (49) citizen owned businesses involved in fish farming under the Project Finance Category.

4.7.7 Presidential Arts Development Empowerment Scheme (PADES) Loans Disbursements

The Commission entered into a partnership with the National Arts Council of Zambia (NAC) to disburse and manage the Presidential Arts Empowerment loans. The Commission received K27,219,944.00 for disbursement to the 152 artists under NAC's Presidential Arts Empowerment Loans out of which K15,407,148.96 was successfully disbursed to 90 artists representing a 57% disbursement rate of the total K27,219,944.00 PADES Funding received.

Table 9 Disbursements to PADES Loan Beneficiaries

S/No	Province	No. of Loans	Loan Amount	Amount Disbursed	Disbursement Rate of Total Funding
1	Central	8	1,815,787.29	728,329.05	3%
2	Copperbelt	14	3,977,403.31	3,198,555.87	12%
3	Eastern	11	1,356,782.14	1,209,282.80	4%
4	Luapula	2	1,881,892.39	973,411.01	4%
5	Lusaka	23	8,889,074.98	6,451,510.38	24%
6	Muchinga	5	631,613.52	475,653.52	2%
7	North-western	5	1,023,731.90	492,139.90	2%
8	Northern	6	900,691.60	500,133.00	2%
9	Southern	8	1,236,239.71	921,456.31	3%
10	Western	8	1,201,709.36	456,677.12	2%
			22,914,926.20	**15,407,148.96**	**57%**

4.7.8 Cassava Commercialisation Initiative

The Commission supported a total of 2,722 farmers in the target districts of Kasama, Mansa and Solwezi (including Mushindamo and Kalumbila) Districts in Northern, Luapula and North-Western Provinces respectively.

5. PERFORMANCE OF ACCESS TO FINANCE

Strategic Objective 3 of the 2017-2021 Strategic Plan "Increased Access to Finance" aims to create greater opportunities for participation in the economy by targeted citizens and targeted companies through provision of financial services such as grants and business loans encompassing three categories of enterprise: micro, small and medium scale.

In line with the Guiding Principles of the 2017-2021 Strategic Plan, the Commission endeavors to implement economic empowerment measures in a manner that enhances equitable participation of targeted citizens in the economy with geographic equity between the ten provinces of Zambia, between rural and urban areas, across the gender divide between men and women, as well as to address the marginalization of youth and persons living with disabilities.

5.1 Key Performance Indicators

Table 10 highlights the KPIs for Access to Finance achieved for the 2017-2021 planning period, as at 31 December 2020.

Table 10 KPIs for Strategic Objective 3 Increased Access to Finance

KP1	2020 Achieved
KPI 1: Rural share of approved empowerment projects	72%
KPI 2: Social distribution of approved projects	Youth - 32%
	Women - 26%
	Men - 74%
	PWDs – 1%
KPI 6: Number of clients funded	2,905
KPI 8: Value of funds disbursed (K)	K195.4 Million

5.2 Geographic Projects

The Commission supports empowerment projects geographically distributed as equitably as possible across the country in all the ten provinces. Table 11 represents this geographic distribution for CEECs supported empowerment projects in Zambia over the period 2008-2020 by number and value of projects.

5.3 Distribution of Empowerment Projects by Province

Table 11 Provincial Distribution of Empowerment Projects by Number

Province	Baseline 2016	Actual 2017-Q4 2020	Actual Cumulative 2008-Q4 2020	Cumulative Share of Projects 2008-Q4 2020
Central	254	135	389	7%
Copperbelt	195	166	361	6%
Eastern	262	109	371	7%
Luapula	133	420	553	10%
Lusaka	317	177	494	9%
Muchinga	219	133	352	6%
Northern	495	812	1307	23%
North-Western	126	460	586	10%
Southern	308	168	476	9%
Western	381	325	706	13%
Grand Total	**2,690**	**2,905**	**5,595**	**100%**

These trends demonstrate the Commission's commitment to empowering citizens in the rural provinces. The remarkable increase in the uptake of empowerment funds by these rural provinces really showcases the success of the Commission's domestic investment promotion efforts as mandated by CEE Act No. 9 of 2006.

Additionally, the trends clearly underline the Commission's success in the implementation of its geographic equity policy.

5.4 Distribution of Empowerment Projects by Social Category

Performance in the distribution of the number of empowerment projects by social category is defined as Youth (males and females 18-35 years old), Women (females above 35 years old), Men (males above 35 years old), and persons living with disabilities (both males and females living with disability).

As at 31st December, 2020, the social distribution of the number of funded projects reached 47% women, 32% youth, 53% men and 1% disabled.

5.5 Contribution to Industrialisation

CEEC's contribution to industrialisation can be measured in the context of its contribution to Zambia's desired transition from being a primary sector economy to a secondary sector economy.

The Commission is implementing the Skills Development and Entrepreneurship Project Supporting Women and the Youth in Zambia (SDEP-SWY) by providing $30 million to facilitate the construction of eight (8) Industrial Yards and provide support to the development of the Cassava Value Chain in the target districts of Mansa in Luapula Province, Kasama in Northern Province, and Solwezi in Northwestern Province, with market development interventions extending to Lusaka and Copperbelt Provinces.

Figure 11 Kitwe Industrial Yard-General Workshops

5.6 Provincial Highlights

5.6.1 ASF, Lusaka Province: Stocking of Fishponds for Beneficiaries at Namulela Youth Cooperative, Kafue District.

Namulela Youth Cooperative is located in Chanyanya area of Kafue District and has a total membership of twenty-four (24). After successfully applying for businesses loans under the ASF, 17 members of the Cooperative have received full disbursements amounting to K2, 189,392.60.

Thirty-four (34) fish ponds belonging to the Cooperative were fully constructed and stocked with 102,000 fingerlings with an expected yield of 27.5 tons in June 2021.

Through the business loan received, Namulela Youth Cooperative also procured a 3ton light truck at a cost of K250,000.00 to assist in operations on the farm. The Cooperative has so far created 30 permanent jobs.

5.6.2 Fish Farmers in Siavonga District, Southern Province

A total of twenty (20) projects valued at K3,358,432.00 had been funded to engage in cage fish farming in Siavonga district under ASF. The Project has created twenty-two (22) permanent jobs.

Figure 12 Eight cages stocked with 12,000 fingerlings for Siavonga Youth fish farmers on Lake Kariba.

5.6.3 Cotton Value Chain - Mumbwa District, Central Province: Mumbwa Farmers Ginning and Pressing Company

Mumbwa Farmers Ginning and Pressing Company Limited (MFGPCo) is situated in Mumbwa District of Central Province. The shareholding comprises of Mumbwa Farmers District Association, Zambia National Farmers Union (ZNFU), Cotton Association of Zambia (CAZ) and CEEC. MFGPCo was funded with K12,223,616.04 under the Cotton Value Chain. The Company was funded in order to procure ginning equipment and construction of the ginning plant. The project is operational with a ginning plant with installed double roller gin technology, which produces high quality fiber. The ginning equipment has a ginning capacity of 5000 metric tons per season and has created 4,004 jobs in the province.

Figure 13 A Ginnery worker wrapping a produced complete lint bale.

5.6.4 Cassava Value Chain Development

The Commission funded 24 cassava-processing companies with the aim of transforming Zambia into a net-starch exporter.

The Commission provided inputs and training on how to produce disease-free cassava cuttings to enhance productivity to 3,400 farmers in Kasama, Mansa and Solwezi (Kalumbila and Mushindamo) districts.

This intervention will increase productivity from 5tons per hectare to 25tons per hectare. Disease free, early maturing and high yielding cassava materials are being produced in partnership with the Zambia Agricultural Research Institute (ZARI).

Figure 14 Farmers collecting cassava cuttings in Mutanda

REPUBLIC OF ZAMBIA

Citizens Economic Empowerment Commission

CITIZENS ECONOMIC EMPOWERMENT FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2020

THE AUDITOR GENERAL
P.O BOX 50071
LUSAKA – ZAMBIA

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Country of Incorporation and Domicile	Zambia
Nature of Business & Principal Activities	Established under the Citizens Economic Empowerment Act No. 9 of 2006, the Commission's principal activities are to promote the economic empowerment of targeted citizens, citizen empowered companies, citizen influenced companies and citizen owned companies; promote gender-equality in accessing, owning, managing, controlling and exploiting economic resources; encourage an increase in broad-based and effective ownership and meaningful participation of targeted citizens, citizen empowered companies, citizen influenced companies and citizens owned companies in the economy in order to contribute to sustainable economic grow; remove social customs, statutory provisions or other practices that limit access to any particular gender to skills training that is essential for effective participation in the economic sector; promote the employment of both gender by removing structural and discriminatory constraints that hinder any particular gender from employment opportunities and in so doing ensure equitable income distribution; promote equal opportunity of targeted citizens, citizen empowered companies, citizen influenced companies and citizen owned companies in accessing and being awarded procurement contracts and other services from State institutions; promote greenfield investment through joint ventures and partnerships between local and foreign investors in order to enhance broad-based economic empowerment; and provide for matters incidental to or connected to the foregoing.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Commissioners	Col. Nkunga C. Mulenga (Rtd)	Chairperson
	Ms. Emelda K. Chabala Melele	Vice – Chairperson
	Mr. Fredson Yamba	Commissioner
	Mr. Chanda Kaziya	Commissioner
	Ms. Bridget Nyau Sule	Commissioner
	Mr. Mulenga Musepa	Commissioner
	Mr. Mushuma Mulenga	Commissioner
	Mr. Sunday Chanda	Commissioner
	Dr. Stella Zulu Chisanga	Commissioner
	Dr. David Nama	Commissioner
	Mr. Coster Mwaba	Commissioner
	Mr. Likando Kalaluka, SC	Commissioner

Registered Office	Plot No. 6457 P.O Box 35068 Los Angeles Boulevard Longacres, Lusaka Zambia.
Bankers	Zanaco Bank (Z) Ltd Atlas Mara Bank (Z) Ltd Absa Bank (Z) Ltd Investrust Bank (Z) Ltd
Auditors	Office of the Auditor General

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Table of Contents

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Management's Responsibilities in Preparation of Financial Statements

The Commissioners are required in terms of the Citizens Economic Empowerment Act No. 9 of 2006 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Fund 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 (IFRS). The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The Commissioners have reviewed the Fund's cash flow forecast for the year to 31st December 2020 and, in light of this review and the current financial position, they are satisfied that the Fund has or had access to adequate resources to continue in operational existence for the foreseeable future.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

The external auditors are responsible for independently auditing and reporting on the Fund's financial statements. The financial statements have been examined by the Fund's external auditors and their report is presented on pages 9 to 12.

The current Board of Commissioners was appointed in April 2022. Therefore, these financial statements cover a period that predates the date at which they assumed fiduciary responsibility over the commission's operations. The current commissioners have approved and signed these audited financial statements for administrative convenience.

The financial statements set out on pages 13 to 33, which have been prepared on the going concern basis, were approved by the Commissioners on 14th March 2025 and were signed on their behalf by:

Approval of financial statements

Mr. Jason Kazilimani
Board Chairman

Charles Muwe Mungule, PhD
Director General

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Commissioners' Report

The Commissioners have the pleasure in submitting their report on the financial statements of Citizens Economic Empowerment Fund for the year ended 31st December 2020.

1. Principal Activities

Established under the Citizens Economic Empowerment Act No.9 of 2006, the commission's principal activities are to promote the economic empowerment of targeted citizens, citizen empowered companies, citizen influenced companies and citizen owned companies, promoting gender -equality in accessing ,owning, managing ,controlling and exploiting economic resources, encourage and increase in broad -based and effective ownership and meaningful participation of targeted citizens, citizen empowered companies, citizens influenced companies and citizens owned companies in the economy in order to contribute to sustainable economic growth, remove social customs, statutory provisions or other practices that limit access to any particular gender to skills training that is essential for effective participation in the economic sector; promote the employment of both gender by removing structural and discriminatory constraints that hinder any particular gender from employment opportunities and in so doing ensure equitable income distribution; promote equal opportunity of targeted citizens, citizen empowered companies, citizen influenced companies and citizen owned companies in accessing and being awarded procurement contracts and other services from state institutions; promote greenfield investment through joint ventures and partnerships between local and foreign investors in order to enhance broad-based economic empowerment; and provide for matters incidental to or connected to the foregoing.

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

2. Review of Financial Results and Activities

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Citizens Economic Empowerment Act No. 9 of 2006. The accounting policies have been applied consistently compared to the prior year.

In 2020 the Fund attained a deficit of K54,918,080 compared to a deficit of K1,611,232 in 2019.

Full details of the financial position, results of operations and cash flows of the Empowerment Fund are set out in the notes to these financial statements.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

3. Commissioners' Office

The Commissioners in office at the date of this report were as follows:

Name	Office
1. Mr. Jason Kazilimani	Chairman
2. Dr. Tecla Ngwenya	Vice – Chairperson
3. Mr. Paul Kaluba	Commissioner
4. Eng. Cosmas Mwanakaba	Commissioner
5. Mr. George Patrick Kashinka	Commissioner
6. Eng. Eugene Milambo Haazele	Commissioner
7. Ms. Sheila S. Mudenda	Commissioner
8. Ms. Comfort Mulenga	Commissioner
9. Dr. Francis Mutale Mulenga	Commissioner
10. Ms. Mwaka Cynthia C. Mukubesa	Commissioner
11. Mr. Anderson E. Matutu	Commissioner

4. Key Management

1. Charles Muwe Mungule, PhD	Director General
2. Albert Ngimu	Director Credit and Risk
3. Caiaphas Habasonda	Director Business Development
4. Lucy M. Mataka	Director Corporate Services
5. Ophelia Nyambe	Director Finance
6. Joyce Mulenga	Director Legal Services

5. Property, Plant and Equipment

As of 31st December 2020, the Fund's investment in properties, plant and equipment amounted to K1,097,138 (2019: K1,162,292) and there were no additions in the current year.

6. Events After the Reporting Period

The Commissioners are not aware of any other material event which occurred after the reporting date and up to the date of this report which will change the outlook of the Fund.

7. Going Concern

The Commissioners believe that the Empowerment Fund 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 Commissioners have satisfied themselves that the Empowerment Fund is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Commissioners are not aware of any new material changes that may adversely impact the Empowerment Fund. The Commissioners are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Empowerment Fund.

8. Secretary

The Fund Secretary as of the date of this report was Ms. Joyce Mulenga

The financial statements set out on pages 13 to 33, which have been prepared on the going concern basis, were approved by the Commissioners on 14th March 2025, and were signed on its behalf by:

Mr. Jason Kazilimani
Board Chairman

Charles Muwe Mungule, PhD
Director General

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Independent Auditor's Report

HAILE SELASSIE AVENUE, LONGACRES
P.O BOX 50071
LUSAKA, ZAMBIA
E-mail: auditorg@ago.gov.zm
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To the Commissioners – Citizen Economic Empowerment Commission

Report on the audit of the Financial Statements

Opinion

I have audited the financial statements of the Citizens Economic Empowerment Fund, which comprise the Statement of Surplus or Deficit, Statement of Financial Position as at 31st December 2020, the Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 13 to 33.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Citizen Economic Empowerment Fund as at 31st December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Citizen Economic Empowerment Fund in accordance with the International Organisation of Supreme Audit Institutions (INTOSAI) Code of Ethics together with the ethical requirements that are relevant to my audit of the financial statements in Zambia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the INTOSAI Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 16 of the financial statements, which indicate that the Fund made a provision of bad debts of K64,036,510 in the period under review. This has further resulted in the fund recording a deficit of K54,918,080 (2019: deficit K1,611,232) recorded for the financial year 31 December 2020. My opinion is not modified in respect of this matter.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Key Audit Matters

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

Key Audit Matter	**How my audit addressed the Key Audit Matter**
CEEC Fund – Partial Disbursement of Loans The Commission has a policy of partial disbursement of loans. These are loans provided to SMEs at less than 100% of the funds requested and approved by the Commission. The policy requirements for a partially disbursed loan are as follows: • No interest is charged on the loan until the loan is fully funded (disbursed) 100%. • The principle is not repayable until fully funded (disbursed) 100% As of 31st December 2020, date the total value of partially funded project was K20,701,360 relating to 373 projects. This amount is irrecoverable until fully funded and no interest is being earned in the amount already disbursed. There is potential for abuse of policy and fraud.	• Reviewed the Commission's Credit Policy in line with Section 7.5.11 • Reviewed the loan files for a sample of partially disbursed loans. • Visited a sample of projects under the status for partially disbursed projects for independent verification and test for existence.
Suspense Account (Unallocated Receipts)	**How my audit addressed the Key Audit Matter**
As at 31st December 2020, the Commission had a balance of K55,933,433 in its suspense account. This figure related to receipts that could not be allocated to the individual loan accounts (clients). As at the time of preparation of the financial statements in November 2024 the amounts were still unallocated.	• Reviewed the suspense account ledger to identify entries posted in it and reviewed new items posted in the account.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

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 International Financial Reporting Standards (IFRS) 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 Citizens Economic Empowerment Fund'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 Fund or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs 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 ISSAIs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 controls.

- Obtain an understanding of internal controls 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 Citizens Economic Empowerment Commission's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Citizens Economic Empowerment Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Fund 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.
-

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit. I also provide those charged with governance a statement that I 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 my independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In my opinion, the Financial Statements of the Citizens Economic Empowerment Fund as of 31st December 2020 have been properly prepared in accordance with the Citizens Economic Empowerment Act No.9 of 2006, and the accounting and other records and registers have kept properly in accordance with the Act.

Dr. Ron M. Mwambwa – FCMA, FZICA, CGMA, CFE
ACTING AUDITOR GENERAL

DATE: 02/05/ **2025**

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Statement of Surplus or Deficit

for the year ended 31 December 2020

	Note	2020	2019
Income		**ZMW**	**ZMW**
Revenue	13.	10,000,000	6,934,685
Other income	14.	518,177	3,956
Total Revenue		**10,518,177**	**14,551**
Expenditure			
Operating expenses	15.	1,334,593	1,487,591
Provision for doubtful debts	16.	64,036,510	-
Depreciation and amortisation	17.	65,154	137,717
Total Expenditure		**65,436,257**	**1,625,308**
Operating Deficit		**(54,918,080)**	**(1,610,757)**
Finance Costs		-	(475)
Total Operating Deficit		**(54,918,080)**	**(1,611,232)**

There were no items of comprehensive income during the year (2019 nil)

The accounting policies and notes on pages 17 to 33 are part of these financial statements.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Statement of Financial Position

as at 31 December 2020

	Note	2020 ZMW	2019 ZMW
ASSETS			
Non Current Assets			
Property, Plant and Equipment	17.	1,097,138	1,162,292
Loans Receivables	19.	9,688,301	9,527,173
		10,785,439	**10,689,465**
Current Assets			
Assets Held for Sale	20.	-	6,230,500
Other Receivables	21.	461,647	1,590,862
Cash and Cash Equivalents	22.	16,912,129	8,783,830
Total Current Assets		**17,373,776**	**16,605,192**
Total Assets		**28,159,215**	**27,294,657**
LIABILITIES AND EQUITY			
Equity			
Accumulated (Deficit)/Surplus	23.	(27,774,218)	27,143,862
Current Liabilities			
Trade and Other Payables	24.	55,933,433	150,795
Total Equity and Liabilities		**28,159,215**	**27,294,657**

The Accounting Policies and Notes on pages 17 to 33 form an integral part of these Financial Statements.

Mr. Jason Kazilimani
Board Chairman

Charles Muwe Mungule, PhD
Director General

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Statement of Changes in Equity
for the year ended 31 December 2020

	31 December 2020
Balance as at 1 January 2019	**28,755,094**
Deficit for the Year	(1,611,232)
Balance as at 31 December 2019	**27,143,862**
Balance as at 1 January 2020	27,143,862
Deficit for the Year	(54,918,080)
Balance as at 31 December 2020	**(27,774,218)**

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Statement of Cash Flows
for the year ended 31 December 2020

	Note	2020 ZMW	2019 ZMW
Cash Flows from Operating Activities			
Cash flows from operating activities	25	**10,162,004**	**3,384,330**
Finance Costs		-	(475)
		10,162,004	**3,383,855**
Cash Flows from Investing Activities			
Loans Disbursed at Amortised Cost	26	(2,033,705)	(5,517,111)
Other Cash Movement		-	(6,924,090)
Net Cash from Investing Activities		**(2,033,705)**	**(12,441,201)**
Increase/(Decrease) in cash and cash equivalents		**8,128,299**	**(9,057,346)**
Cash and Cash Equivalents at start of year		8,783,830	17,841,176
Cash and Cash Equivalents at end of year		**16,912,129**	**8,783,830**

Notes to the Financial Statements
Accounting Policies
for the year ended 31 December 2020

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 Citizens Economic Empowerment Act No. 9 of 2006.

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

These accounting policies are consistent with the previous period. These financial statements include Presidential Arts Development Empowerment Schemes (PADES) loans.

1.2 Significant Judgements and Sources of Estimation Uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1.3 Critical Judgements in Applying Accounting Policies.

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

2. Key Sources of Estimation Uncertainty

2.1 Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Fund uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Fund's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

2.2 Impairment Testing

The Fund reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

3. Property, Plant and Equipment

Property, plant and equipment are tangible assets which the fund 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 Fund, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets, 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 fund and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit in the year in which they are incurred.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

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 Fund. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 Years (20%)
Motor vehicles	Straight line	5 Years (20%)
Office equipment	Straight line	4 years (25%)
Computer equipment	Straight line	4 years (25%)
Land	Straight line	(0%)
Building	Straight Line	50 years (2%)

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 surplus or deficit 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 surplus or deficit to bring the carrying amount in line with the recoverable amount.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

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 surplus or deficit when the item is derecognised.

4. Financial Instruments

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

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

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

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

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

4.1 Loans Receivable at Amortised Cost

4.2 Classification

Loans receivable (note 19) are classified as financial assets subsequently measured at amortised cost.

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

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

4.3 Recognition and Measurement

Loans receivables are recognised when the Fund becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.
The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

4.4 Application of the Effective Interest Method

Interest income is calculated using the effective interest method and is included in profit or loss in investment income.
The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

a) The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
b) If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit impaired.
c) If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

4.5 Impairment

The Fund recognises a loss allowance for expected credit losses on all loan receivables measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

The Fund measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12-month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12-month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Fund considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

4.6 Significant Increase in Credit Risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the Fund compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Fund considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Fund has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

The Fund regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria can identify significant increases in credit risk before the amount becomes past due.

4.7 Definition of Default

For purposes of internal credit risk management purposes, the Fund consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).
Irrespective of the above analysis, the Fund considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

4.8 Measurement and recognition of expected Credit Losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.
The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Fund has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Fund measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and vice versa.

An impairment gains or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

4.9 Credit Risk

Details of credit risk related to loans receivables are included in the specific notes and the financial instruments and risk management.

4.9.1 Exposure to credit risk

Loan receivables inherently expose the Fund to credit risk, being the risk that the Fund will incur financial losses if customers fail to make payments as they fall due.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period. A loss allowance is recognised for all receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Receivables which have been written off are not subject to enforcement activities. The Fund measures the loss allowance for loan receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on receivables is determined as the lifetime expected credit losses on receivables. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period. The Fund's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles.

For these accounts a provision for doubtful debt was provided at 10% of the loans issued in the current year. In subsequent years, a more detailed matrix will be applied especially after the application of the new loan system which is being developed.

5. Other Receivables

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

5.1 Classification

Other receivables, excluding, when applicable, prepayments, are classified as financial assets subsequently measured at amortised cost.

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

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

5.2 Recognition and Measurement

Other receivables are recognised when the Fund becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

5.3 Application of the Effective Interest Method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method and is included in surplus or deficit in investment income.
The application of the effective interest method to calculate interest income on receivables is dependent on the credit risk of the receivable as follows:

a) The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
b) If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit impaired.
c) If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

5.4 Impairment

The Fund recognises a loss allowance for expected credit losses on other receivables, excluding prepayments. The amount of expected credit losses is updated at each reporting date.

The Fund measures the loss allowance for other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

5.5 Measurement and Recognition of Expected Credit Losses

The Fund makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality.

An impairment gain or loss is recognised in surplus or deficit with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in surplus or deficit as a movement in credit loss allowance.

6. Trade and Other Payables

6.1 Classification

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

6.2 Recognition and Measurement

They are recognised when the Fund becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.
They are subsequently measured at amortised cost using the effective interest method.
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

6.3 Fair Values Versus Carrying Values

The Commissioners have assessed and concluded that the fair values of financial assets and liabilities were not materially different from the carrying amounts shown in the statement of financial position due to their short term to maturity.

7. Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand and short-term deposits and bank overdrafts with an original maturity of three months or less.

8. Derecognition

8.1 Financial Assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

8.2 Financial Liabilities

The Fund derecognises financial liabilities when, and only when, the Fund obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit.

9. Assets Held for Sale- Repossessed Property

In certain circumstances, the Fund can repossess property following the foreclosure on loans that are in default. Repossessed properties are measured at the lower of carrying amount and fair value less cost to sell and reported as 'Assets Held for Sale' in line with IFRS 5.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

The Fund shall advertise for sale the repossessed properties after fourteen (14) days of the repossession to recover the outstanding loan amounts, legal fees, sheriff's fees and any other incidental costs like security.

The Fund will have the choice of disposing the repossessed properties through estate agents who may have running contracts with the Fund or using the in-house tender procedures. The repossessed properties may be valued at the point of sale to arrive at the reserve prices. The higher bidder shall be offered the right to purchase the property with priority given to Zambian Citizens. Repossessed properties are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness. Repossessed properties are classified in the statement of financial position as Assets Held for Sale in line IFRS 5.

10. Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
The cost of inventories of items that are not ordinarily interchangeable, and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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

11. Revenue

Government grants are recognised when there is reasonable assurance that:

11.1 The Fund will comply with the conditions attaching to them; and

11.2 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.

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of net assets available in the fund by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the surplus or deficit (separately).

12. Revenue from Contracts with Customers

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

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

	2020 ZMW	2019 ZMW
13. Revenue		
Government Grant	10,000,000	6,934,685
14. Other Operating Income		
Interest from Bank	393	-
Other Income	517,784	3,956
	518,177	**3,956**
15. Operating Costs		
Advertising and Building	-	89,717
Delivery expenses	-	735,531
Legal Costs	578,021	631,999
Bank Charges-Operations	5,075	9,583
Hire of Motor Vehicle	5,000	-
Rates and Taxes	17,850	20,761
Security Expenses	728,647	-
	1,334,593	**1,487,591**

16. Provision for bad debts

Description	Grade	Classification	Provision	2020	2019
				ZMW	ZMW
Good	A	Performing	0%	-	-
Pass (P)	B	Performing	0%	9,062,243	-
Sub standard	C	Non Performing	50%	626,058	-
Doubtful	D	Non Performing	75%	1,252,116	-
Loss	E	Non Performing	100%	277,936,555	-
Total Loan Book				**288,876,972**	-
Total provision as per credit policy				**(279,188,671)**	**(215,152,161)**
Provision for the year				**(64,036,510)**	

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

17. Property Plant and Equipment

	2020 ZMW Opening Balance	ZMW Additions	ZMW Disposal	ZMW Depreciation	ZMW Total
Land and Buildings	-	-	-	-	-
Furniture and Fittings	8,591	-	-	8,591	-
Motor Vehicles	-	-	-	-	-
Office Equipment	3,386	-	-	3,386	-
Computer Equipment	16,057	-	-	16,057	-
Other Property, Plant and Equipment	74,240	-	-	37,120	37,120
Capital Work in Progress	1,060,018	-	-	-	1,060,018
Total	**1,162,292**	-	-	**65,154**	**1,097,138**

	2019 ZMW Opening Balance	ZMW Additions	ZMW Disposal	ZMW Depreciation	ZMW Total
Land and Buildings	-	-	-	-	-
Furniture and Fittings	17,718	-	-	9,127	8,591
Motor Vehicles	-	-	-	-	-
Office Equipment	17,293	-	-	13,907	3,386
Computer Equipment	93,620	-	-	77,563	16,057
Other Property, Plant and Equipment	111,360	-	-	37,120	74,240
Capital Work in Progress	1,060,018	-	-	-	1,060,018
Total	**1,300,009**	-	-	**137,717**	**1,162,292**

18. Investment in Mumbwa Farmers Ginnery and Processing Company Limited (MFGPCo)

In 2013, CEEC acquired 32% of shares in Mumbwa Farmers Ginnery and Processing Company Limited (MFGPCo) at total cost of K1 million. The company has been non-operational from 2015.

	2020	2019
Investment in MFGPCo	1,000,000	1,000,000
Less: Provision for Impairment	(1,000,000)	(1,000,000)
	-	-

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

		2020 ZMW	2019 ZMW
19.	**Non Current Loan Receivables**		
	Project Loan Receivables	288,876,972	281,011,889
	Less provision for doubtful debts	(279,188,671)	(271,484,716)
	Total	**9,688,301**	**9,527,173**
20.	**Assets Held for Sale**	**10,878,122**	**6,230,500**

The fund repossessed ten (10) properties with loan outstanding amounts totalling K10,878,122 Clause 6.5.3.3 of the Credit Policy of 2015 provides for repossessed properties to be valued at the point of sale in order to arrive at the reserve price. However, these assets had not been assigned with the reserve price values as of 31st December 2021.

		2020 ZMW	2019 ZMW
21.	**Other Receivables**		
	Provinces Imprest	108,095	108,095
	Natsave Receivables	11,111	17,440
	Other Receivables	211,545	1,459,953
	Other Trade Receivables	130,897	-
	Total	**461,647**	**1,590,862**
22.	**Cash and Cash Equivalents**		
	Zanaco Main Account	15,341,503	7,091,576
	Absa Bank Account	718,191	699,150
	Natsave Micro Account	355,982	972,428
	Atlas Mara Account	475,489	-
	Investrust Account	20,965	20,676
	Total	**16,912,129**	**8,783,830**
23.	**Acculumated Deficit**		
	As at 1 January	27,143,862	28,755,094
	Deficit for the Year	(54,918,080)	(1,611,232)
	As at 31 December	**(27,774,218)**	**27,143,862**
24.	**Trade and Other Payables**		
	Suspense Account	55,933,433	-
	Other Payables	-	149,183
	Total	**55,933,433**	150,795

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

	2020 ZMW	2019 ZMW
Cash Generated from Operations		
Surplus	(54,918,080)	(1,611,232)
Adjustments for:		
Provision for bad debt.	64,036,510	-
Depreciation and amortisation	65,154	137,717
Changes in Working capital:		
Other receivables	1,260,112	(1,580,417)
Trade and other payables	(281,692)	(486,303)
Total	**10,162,004**	**3,384,330**

Movement in Receipts & Disbursements		
Receipts during the year	2,998,167	1,259,067
Less : Loans paid out (Loan Book)	(4,519,480)	(6,776,178)
others	(512,392)	-
	(2,033,705)	**(5,517,111)**

ONE ZAMBIA ONE NATION

REPUBLIC OF ZAMBIA

Citizens Economic Empowerment Commission

CITIZENS ECONOMIC EMPOWERMENT COMMISSION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2020

THE AUDITOR GENERAL
P.O BOX 50071
LUSAKA – ZAMBIA

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Country of Incorporation and Domicile	Zambia
Nature of Business and Principal Activities	Established under the Citizens Economic Empowerment Act No. 9 of 2006, the Commission's principal activities are to promote the economic empowerment of targeted citizens, citizen empowered companies, citizen influenced companies and citizen owned companies; promote gender-equality in accessing, owning, managing, controlling and exploiting economic resources; encourage an increase in broad-based and effective ownership and meaningful participation of targeted citizens, citizen empowered companies, citizen influenced companies and citizens owned companies in the economy in order to contribute to sustainable economic grow; remove social customs, statutory provisions or other practices that limit access to any particular gender to skills training that is essential for effective participation in the economic sector; promote the employment of both gender by removing structural and discriminatory constraints that hinder any particular gender from employment opportunities and in so doing ensure equitable income distribution; promote equal opportunity of targeted citizens, citizen empowered companies, citizen influenced companies and citizen owned companies in accessing and being awarded procurement contracts and other services from State institutions; promote greenfield investment through joint ventures and partnerships between local and foreign investors in order to enhance broad-based economic empowerment; and provide for matters incidental to or connected to the foregoing.

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Commissioners	Col. Nkunga C. Mulenga (Rtd)	Chairperson
	Ms. Emelda K. Chabala Melele	Vice – Chairperson
	Mr. Fredson Yamba	Commissioner
	Mr. Chanda Kaziya	Commissioner
	Ms. Bridget Nyau Sule	Commissioner
	Mr. Mulenga Musepa	Commissioner
	Mr. Mushuma Mulenga	Commissioner
	Mr. Sunday Chanda	Commissioner
	Dr. Stella Zulu Chisanga	Commissioner
	Dr. David Nama	Commissioner
	Mr. Coster Mwaba	Commissioner
	Mr. Likando Kalaluka, SC	Commissioner

Registered Office	Plot No. 6457 P.O Box 35068 Los Angeles Boulevard Longacres, Lusaka Zambia.
Bankers	Zanaco Bank (Z) Ltd Atlas Mara Bank (Z) Ltd Absa Bank (Z) Ltd Investrust Bank (Z) Ltd
Auditors	Office of the Auditor General

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Table of Contents **Page**

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Commissioners' Responsibilities and Approval

The Commissioners are required in terms of the Citizens Economic Empowerment Act No. 9 of 2006 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Commission 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. (IFRSs). 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 (IFRS) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The Commissioners have reviewed the Commission's cash flow forecast for the year to 31st December 2020 and, in light of this review and the current financial position, they are satisfied that the Commission has or had access to adequate resources to continue in operational existence for the foreseeable future.

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

The external auditors are responsible for independently auditing and reporting on the Commission's financial statements. The financial statements have been examined by the Commission's external auditors and their report is presented on pages 9 to 11.

The current Board of Commissioners was appointed in April 2022. Therefore, these financial statements cover a period that predates the date at which they assumed fiduciary responsibility over the commission's operations. The current commissioners have approved and signed these audited financial statements for administrative convenience.

The financial statements set out on pages 12 to 29 which have been prepared on the going concern basis, were approved by the Commissioners on 14 March 2025 and were signed on their behalf by:

Approval of financial statements

Mr. Jason Kazilimani
Board Chairman

Charles Muwe Mungule, PhD
Director General

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Commissioners' Report

The Commissioners have the pleasure in submitting their report on the financial statements of Citizens Economic Empowerment Commission (CEEC) for the year ended 31st December 2020.

1. Principal Activities

- Established under the Citizens Economic Empowerment Act No. 9 of 2006, the Commission's principal activities are to promote the economic empowerment of targeted citizens, citizen empowered companies, citizen influenced companies and citizen owned companies
- Promote gender-equality in accessing, owning, managing, controlling and exploiting economic resources
- Encourage an increase in broad-based and effective ownership and meaningful participation of targeted citizens, citizen empowered companies, citizen influenced companies and citizens owned companies in the economy in order to contribute to sustainable economic growth
- Remove social customs, statutory provisions or other practices that limit access to any particular gender to skills training that is essential for effective participation in the economic sector
- Promote the employment of both gender by removing structural and discriminatory constraints that hinder any particular gender from employment opportunities and in so doing ensure equitable income distribution
- Promote equal opportunity of targeted citizens, citizen empowered companies, citizen influenced companies and citizen owned companies in accessing and being awarded procurement contracts and other services from State institutions
- Promote Greenfield investment through joint ventures and partnerships between local and foreign investors in order to enhance broad-based economic empowerment and
- Provide for matters incidental to or connected to the foregoing.

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

2. Review of Financial Results and Activities

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Citizens Economic Empowerment Act No. 9 of 2006. The accounting policies have been applied consistently compared to the prior year.
For the year ended 31st December 2020, the Commission made a deficit on operations of K3,071,664, (2019: deficit K4,074,190).

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

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

3. Commissioners' Office

The Commissioners in office at the date of this report are as follows:

	Name	Office
1.	Mr. Jason Kazilimani	Chairman
2.	Dr. Tecla Ngwenya	Vice – Chairperson
3.	Mr. Paul Kaluba	Commissioner
4.	Eng. Cosmas Mwanakaba	Commissioner
5.	Mr. George Patrick Kashinka	Commissioner
6.	Eng. Eugene Milambo Haazele	Commissioner
7.	Ms. Sheila Mudenda	Commissioner
8.	Dr. Francis Mutale Mulenga	Commissioner
9.	Ms. Comfort Mulenga	Commissioner
10.	Ms. Mwaka Cynthia C. Mukubesa	Commissioner
11.	Mr. Anderson Matutu	Commissioner

4. Key Management

1.	Charles Muwe Mungule, PhD	Director General
2.	Albert Ngimu	Director Credit and Risk
3.	Caiaphas Habasonda	Director Business Development
4.	Lucy M. Mataka	Director Corporate Services
5.	Ophelia Nyambe	Director Finance
6.	Joyce Mulenga	Director Legal Services

5. Property, Plant and Equipment

There was no significant change in the nature of the property, plant and equipment of the Commission or in the policy regarding their use. The Commission received land property No. Lus/17018 with a land extent of 1,576 meter squared as a donation in December 2015 to develop an Empowerment House. The land is not yet valued and has not been added in the asset register. It will be added when the valuation report comes out.

As of 31st December 2020, the Commission' investment in properties, plant and equipment amounted to K44,455 and there were additions totalling K2,750 in the current year.

6. Events After the Reporting Period

The Commissioners are not aware of any material event which occurred after the reporting date and up to the date of this report which will change the outlook of the Commission.

7. Going Concern

The Commissioners believe that the Commission 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 Commissioners have satisfied themselves that the Commission is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Commissioners are not aware of any new material changes that may adversely impact the Commission's operations. The Commissioners are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Commission's operations.

8. Secretary

The Commission Secretary at the time the report was done was Ms. Joyce Mulenga

The financial statements set out on pages 12 to 29 which have been prepared on the going concern basis, were approved by the Commissioners on 14th March 2025, and were signed on its behalf by:

Mr. Jason Kazilimani
Board Chairman

Charles Muwe Mungule, PhD
Director General

Independent Auditor's Report

HAILE SELASSIE AVENUE, LONGACRES

P.O BOX 50071

LUSAKA, ZAMBIA

E-mail: auditorg@ago.gov.zm

Website: www.ago.gov.zm

Telephone: +260252611/252771

To the Commissioners – Citizens Economic Empowerment Commission

Report on the audit of the Financial Statements

Opinion

I have audited the financial statements of the Citizens Economic Empowerment Commission's Operations Account, which comprise the Statement of Surplus or Deficit and Other Comprehensive Income, Statement of Financial Position, and the Statement of Changes in Equity and Statement of Cashflows for the year ended 31st December 2020, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 12 to 29.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Citizens Economic Empowerment Commission's Operations Account as at 31st December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Citizens Economic Empowerment Commission in accordance with the International Organisation of Supreme Audit Institutions (INTOSAI) Code of Ethics together with the ethical requirements that are relevant to my audit of the financial statements in Zambia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the INTOSAI Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters of the audit are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) 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 Citizens Economic Empowerment Commission'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 Commission or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs 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 ISSAIs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 controls.

- Obtain an understanding of internal controls 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 Citizens Economic Empowerment Commission's internal controls.

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Citizens Economic Empowerment Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Commission 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit. I also provide those charged with governance a statement that I 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 my independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In my opinion, the Financial Statements of the Citizens Economic Empowerment Commission as of 31st December 2020 have properly prepared in accordance with the Citizens Economic Empowerment Act No.9 of 2006, and the accounting and other records and registers have kept properly in accordance with the Act.

Dr. Ron M. Mwambwa – FCMA, FZICA, CGMA, CFE **DATE:** 02 / 05 / **2025**

ACTING AUDITOR GENERAL

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Statement of Surplus or Deficit
for the year ended 31 December 2020

	Note	2020	2019
Income		**ZMW**	**ZMW**
Revenue	14.	22,129,077	20,339,219
Other Operating Income	15.	142,623	152,079
Total Revenue		**22,271,700**	**20,491,298**
Expenditure			
Employment Costs	16.	19,682,264	20,668,223
Operating Expenses	17.	5,301,387	3,220,771
Depreciation and Amortisation	18.	243,500	454,829
Total Expenditure		**25,227,151**	**24,343,823**
Operating Deficit		**(2,955,451)**	**(3,852,525)**
Finance Costs	19.	116,213	221,666
Deficit for the year		**(3,071,664)**	**(4,074,191)**

There were no items of other comprehensive income during the year (2019: nil).

The accounting policies and notes on pages 16 to 31 are part of these financial statements.

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Statement of Financial Position
as at 31 December 2020

	Note	2020 ZMW	2019 ZMW
ASSETS			
Non Current Assets			
Property, Plant and Equipment	18.	44,455	285,205
		44,455	**285,205**
Current Assets			
Receivables	20.	429,481	74,170
Inventory	21.	260,927	207,521
Prepayments, Short Term Investments	22.	1,701	96,176
Cash and Cash Equivalents	23.	2,459,023	1,214,486
Total Current Assets		**3,151,132**	**1,592,353**
Total Assets		**3,195,587**	**1,877,558**
LIABILITIES AND EQUITY			
Equity			
Accumulated deficit	24.	(25,116,621)	(22,044,957)
Total		**(25,116,621)**	**(22,044,957)**
Current Liabilities			
Payables	25.	28,312,208	23,922,515
Total Equity and Liabilities		**3,195,587**	**1,877,558**

The financial statements and the notes on page 12 to 31, were approved by the Commissioner's on 14TH March 2025, and were signed on its behalf by:

Mr. Jason Kazilimani
Board Chairman

Charles Muwe Mungule, PhD
Director General

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Statement of Changes in Equity

for the Year Ended 31 December 2020

	31 December 2020
Balance as at 1 January 2019	**(17,970,767)**
Deficit for the Year	(4,074,190)
Balance at 31 December 2019	**(22,044,957)**
Balance as at 1 January 2020	(22,044,957)
Deficit for the year	(3,071,664)
Balance as at 31 December 2020	**(25,116,621)**

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Statement of Cash Flows

for the year ended 31 December 2020

	Note	2020	2019
		ZMW	ZMW
Cash flows from operating activities	26.	**1,247,287**	**1,792,256**
Cash Flows from Investing Activities			
Purchase of Property, Plant & Equipment	18.	(2,750)	-
Payments		-	(583,047)
Proceeds from sale of properties		-	130,773
Net Cash Flows from Investing Activities		**(2,750)**	**(452,274)**
Increase in cash and cash equivalents		**1,244,537**	**1,118,316**
Cash and Cash Equivalents at start of year		**1,214,486**	**96,170**
Cash and Cash Equivalents at end of year	23	**2,459,023**	**1,214,486**

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements
Accounting Policies
for the year ended 31 December 2020

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 Citizens Economic Empowerment Act No. 9 of 2006.

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

1.2 Significant Judgements and Sources of Estimation Uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1.3 Critical Judgements in Applying Accounting Policies.

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

2. Key Sources of Estimation Uncertainty

2.1 Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Commission uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Commission's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

2.2 Impairment Testing

The Commission reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

3. Property, Plant and Equipment

Property, plant and equipment are tangible assets which the Commission 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 Commission, 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.

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 Commission and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

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 Commission. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.
The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fittings	Straight line	5 Years (20%)
Motor vehicles	Straight line	5 Years (20%)
Office equipment	Straight line	4 years (25%)
Computer equipment	Straight line	4 years (25%)
Land	Straight line	(0%)
Buildings	Straight line	50 years (2%)

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 surplus or deficit 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 surplus or deficit 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 surplus or deficit when the item is derecognised.

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

4. Financial Instruments

Financial assets and financial liabilities are initially measured at fair value and subsequently at amortised cost.

5. Receivables

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

5.1 Classification

Other receivables, excluding, when applicable and prepayments, are classified as financial assets subsequently measured at amortised cost.

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

5.2 Recognition and Measurement

Other receivables are recognised when the Commission becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

5.3 Application of the Effective Interest Method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method and is included in surplus or deficit in investment income.
The application of the effective interest method to calculate interest income on receivables is dependent on the credit risk of the receivable as follows:

a) The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

b) If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit impaired.

c) If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

5.4 Impairment

The Commission recognises a loss allowance for expected credit losses on other receivables, and prepayments. The amount of expected credit losses is updated at each reporting date.

The Commission measures the loss allowance for other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

5.5 Measurement and Recognition of Expected Credit Losses

The Commission makes use of a provision matrix as a practical expedient to the determination of expected credit losses on receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all other receivables in totality.

An impairment gain or loss is recognised in surplus or deficit with a corresponding adjustment to the carrying amount of other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in surplus or deficit as a movement in credit loss allowance.

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)
Accounting Policies (continued)

for the year ended 31 December 2020

6. Trade and Other Payables

6.1 Classification

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

6.2 Recognition and Measurement

They are recognised when the Commission becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method.
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

6.3 Fair Values Versus Carrying Amounts

The Commissioners have assessed and concluded that the fair values of financial assets and liabilities are not materially different from the carrying amount shown in the statement of financial position due to their short term to maturity.

7. Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand and short-term deposits and bank overdrafts with an original maturity of three months or less.

8. Derecognition

8.1 Financial Assets

The Commission derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Commission neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Commission recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Commission retains substantially all

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

the risks and rewards of ownership of a transferred financial asset, the Commission continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

8.2 Financial Liabilities

The Commission derecognises financial liabilities when, and only when, the Commission obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit.

9. Assets Held for Sale - Repossessed Property

In certain circumstances, the Commission can repossess property following the foreclosure on loans that are in default. Repossessed properties are measured at the lower of carrying amount and fair value less cost to sell and reported as 'Assets Held for Sale' in line with IFRS 5.

The Commission shall advertise for sale the repossessed properties after fourteen (14) days of the repossession in order to recover the outstanding loan amounts, legal fees, sheriff's fees and any other incidental costs like security.

The Commission will have the choice of disposing the repossessed properties through estate agents who may have running contracts with the Commission or using the in-house tender procedures. The repossessed properties may be valued at the point of sale in order to arrive at the reserve prices. The higher bidder shall be offered the right to purchase the property with priority given to Zambian Citizens. Repossessed Properties are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness. Repossessed properties is classified in the statement of financial position as Assets Held for Sale in line IFRS 5.

10. Exposure to credit risk

Receivables inherently expose the commission to credit risk, being the risk that the commission will incur financial loss if customers fail to make payments as they fall due.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period. A loss allowance is recognised for all receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Receivables which have been written off are not subject to enforcement activities.

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

The Commission measures the loss allowance for receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on receivables is determined as the lifetime expected credit losses on receivables. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period. The Commission's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles.

For these accounts a provision for Doubtful debt was provided at 10% of the Loans issued in the current year. In subsequent years, a more detailed matrix will be applied especially after the application of the new loan system which is being developed.

11. Inventories

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

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

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

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

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

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

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2020

12. Employee Benefits

12.1 Short-Term Employee Benefits

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

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

13. Revenue

Government grants are recognised when there is reasonable assurance that:

- The Commission 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.

Grants related to income are presented as a credit in the surplus or deficit (separately).

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

	2020	2019
14. Revenue	**ZMW**	**ZMW**
Government Grant-Operation	12,124,604	9,041,667
Loan Interest-Project Finance	4,004,685	10,443,319
Facility Fees-Project Finance	5,999,788	854,233
	22,129,077	**20,339,219**
15. Other Operating Income		
Interest from Bank	142,623	544,396
Loss on disposal of Property, Plant and Equipment	-	(392,317)
Net other operating income	**142,623**	**152,079**
Total Revenue	**22,271,700**	**20,491,298**
16. Employment Costs		
Basic Salary	9,832,662	9,882,932
NAPSA	572,843	567,479
Housing Allowance	1,954,768	1,970,171
Gratuity	3,469,776	3,708,303
Leave Pay	745,742	698,938
Office Refreshments	5,550	32,221
Acting Allowance	94,806	375,598
Transport Allowance	2,429,511	2,407,671
Relocation Cost	23,195	-
Sitting allowance	-	13,979
Responsibility Allowance	19,317	15,462
PAYE	19,148	-
Workers Compensation	13,588	20,219
NHIMA	97,869	-
Staff Welfare - Other	36,034	24,032
Medical Expenses	225,949	893,412
Over Time	44,440	42,806
Funeral expenses	-	3,000
Recruitment Costs	8,347	-
	19,682,264	**20,668,223**

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

	2020	2019
17. Operating Costs	**ZMW**	**ZMW**
Sundry Expenses	750	-
Promotion & Publicity	16,890	5,790
Office Expenses	2,663	29,097
Cleaning Expenses	241,475	7,182
Computer Expenses	246,989	253,039
Consultation Fees	950	106,622
Courier & Postages	37,646	500
Credit Bureau Reference	-	24,607
Board Expenses	609,682	1,987
Debt Recovery Costs	-	182,385
Electricity and Water	97,914	28,677
Legal Costs	347,280	611,346
Bank Charges-Operations	16,244	-
Hire of Motor Vehicle	-	43,046
Procurement Expenses	85,400	-
Insurance-Motor Vehicle	836,833	84,650
Keyman's Insurance Admin Fees	8,038	105,899
Motor Vehicle Expenses - Fines & Penalties	15,094	-
Motor Vehicle Expenses - Repairs & Maintenance	150,511	1,165
Motor Vehicle Expenses - Fuel and Oil	84,242	187,526
Motor Vehicle Expenses - licenses	14,545	55,456
Repair & Maintenance - Office Building	67,054	21,755
Rates and Taxes	-	4,373
property transfer tax	-	1,639
Printing and Stationery	273,013	-
Communication Expenses	701,099	162,477
Office Rentals	487,384	495,358
Subscription Professions	300,685	212,718
Security Expenses	285,460	398,568
Training and Development	-	116
Travel & Accommodation	287,006	128,297
Workshops-Seminars	86,540	66,195
	5,301,387	**3,220,470**

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

18. Property Plant and Equipment

2020	ZMW Opening Balance	ZMW Additions	ZMW Disposal	ZMW Depreciation	ZMW Total
Land and Buildings	-	-	-	-	-
Furniture and Fittings	35,997	2,750	-	10,336	28,411
Motor Vehicles	192,644	-	-	192,644	-
Office Equipment	702	-	-	683	19
Computer Equipment	55,179	-	-	39,837	15,342
Other Property, Plant and Equipment	-	-	-	-	-
Capital Work in Progress	683	-	-	-	683
Total	**285,205**	**2,750**	**-**	**243,500**	**44,455**

2019	ZMW Opening Balance	ZMW Additions	ZMW Disposal	ZMW Depreciation	ZMW Total
Land and Buildings	-	-	-	-	-
Furniture and Fittings	56,209	-	-	20,212	35,997
Motor Vehicles	1,071,096	-	523,090	355,362	192,644
Office Equipment	26,077	-	-	25,375	702
Computer Equipment	109,059	-	-	53,880	55,179
Other Property, Plant and Equipment	-	-	-	-	-
Capital Work in Progress	683	-	-	-	683
Total	**1,263,124**	**-**	**523,090**	**454,829**	**285,205**

19. Finance Costs

	2020 ZMW	2019 ZMW
Interest on motor vehicle loan	116,213	221,666
	116,213	**221,666**

The finance cost is loan interest on the loan obtained to purchase motor vehicles for the Commission.

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)
for the year ended 31 December 2020

	2020	2019
20. Receivables	**ZMW**	**ZMW**
Staff Imprest	91,140	74,169
Staff Advances	264,582	-
Staff Personal Loan	60,844	1
Car Loans	12,915	-
	429,481	**74,170**

21. Inventory		
General Inventory	260,927	207,521

22. Prepayments, Short Term Investments		
Prepayments Fuel	-	44,001
Fuel & Oils-Gen Set	500	550
Fuel & Oils-Bab 529	1,201	500
Fuel & Oils-ABR 9346	-	2,571
Software Licences and Support	-	3,000
Prepayment Insurance	-	45,554
Total	**1,701**	**96,176**

23. Cash and Cash Equivalents	**2020**	**2019**
	ZMW	**ZMW**
Zanaco Admin Account	72,519	
Zanaco Account	2,344,682	1,207,187
Petty Cash	7,449	3,996
Finance Account	32,520	-
Luapula Province	36	36
Southern Province	1,001	1,001
Western Province	193	193
Muchinga Province	35	35
	588	2,038
Total	**2,459,023**	**1,214,486**

24. Retained Deficit		
At 1 January	(22,044,957)	(17,970,767)
Deficit for the Year	(3,071,664)	(4,074,190)
At 31 December	**(25,116,621)**	**(22,044,957)**

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2020

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

	2020	2019
25. Payables	**ZMW**	**ZMW**
ZRA Liability	660,585	-
NAPSA Liability	1,057,894	974,464
Salaries Control - PAYE	16,094,384	12,098,164
ZRA Withholding Tax	13,723	-
Salaries Control - National Health Insurance	16,875	-
Provisions - Leave Pay Provision	1,376,119	1,165,201
Provisions - Gratuity	7,380,670	6,953,785
Accounts Payables	1,207,701	1,696,462
Bank Loan/Motor Vehicles	189,861	759,445
Other Payables	314,394	274,994
Total	**28,312,208**	**23,922,515**

26. Cash Generated from Operations		
Deficit for the year	(3,071,664)	(4,073,890)
Adjustment for:		
Depreciation and amortisation	243,500	454,829
Losses on disposals and settlements of assets	-	392,317
Finance costs	-	221,666
Changes in working capital:		
Inventories	(53,406)	92,415
Other receivables	(355,312)	1,354,405
Prepayments, short term investments	94,476	-
Other payables	4,389,693	3,350,814
Total	**1,247,287**	**1,792,556**

Citizens Economic Empowerment Commission

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Tel: 0211-237556

CEEC Luapula Provincial Office
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Tel: 0212-821445

CEEC Eastern Provincial Office
Room 1, New Wing Provincial Administration, Hospital Road, Chipata. Tel: 0216-221936

CEEC Southern Provincial Office
Plot DZ 188, Choma Dairy Co-operative Union Complex, Choma.
Tel: 0213-323363

CEEC Copperbelt Provincial Office Room 188 Immigration Building Buteko Avenue, Ndola. Tel: 0212-618133

CEEC Northern Provincial Office Kasama Industrial Yard, 8km from Kasama CBD, off the Kasama-Mbala Road.

CEEC Central Provincial Office
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CEEC Muchinga Provincial Office Plot 888 Kakula Street, Chinsali. Tel: 0214-565118

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Printed by Shorthorn Printers Limited