Citizens Economic Empowerment Commission

Annual Report

2022

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About Us

The Citizens Economic Empowerment Commission is a statutory body under the Ministry of Small and Medium Enterprise Development mandated to foster broad based economic empowerment of the citizenry.

Vision

A leader in inclusive and sustainable citizenry economic empowerment.

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 2022-2026:

- **Accountability** - We are answerable and responsible for resources government entrusted us to manage on behalf of the Zambian people.
- **Transparency**- We commit to openness with our clients regardless of their social, economic or gender orientation.
- **Fairness**- We ensure all citizens receive equal opportunities regardless of gender, religion, race, and physical location.
- **Integrity** - We discharge our duties in an ethical and honest manner in our dealings with all our stakeholders.
- **Professionalism** – In discharging our duties we espouse elevated levels of excellence and competence and conduct ourselves in a manner that reflects the positive image of the Commission.
- **Teamwork**- We work collaboratively appreciating each other's inputs to achieve our common goal.

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 2022 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
CEO	Chief Executive Officer
DG	Director General
MSMED	Ministry of Small and Medium Enterprise Development
MoU	Memorandum of Understanding
OLAS	Online Loan Application System
PP	Preferential Procurement
SDEP-SW	Skills Development and Entrepreneurship Project Supporting women and Youth
ZAEDP	Zambia Aquaculture Enterprise Development Project
ZAMACE	Zambia Commodity Exchange

CONTENTS

LIST OF FIGURES

LIST OF TABLES

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.

The Commission's Mandate

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.

Citizens Economic Empowerment Mandate

Figure 1 Summarized Mandate of the Commission

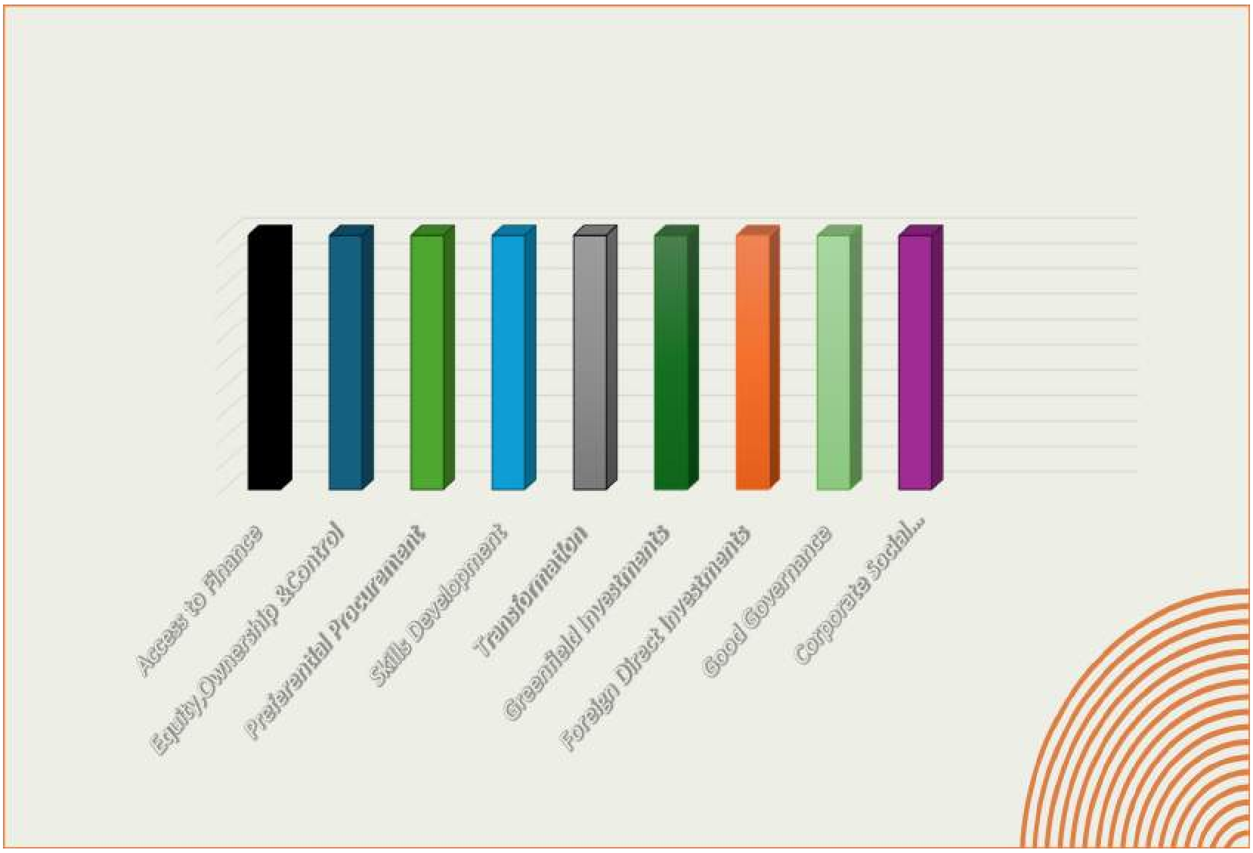


Figure 2 Economic Empowerment Pillars

CHAIRPERSON'S STATEMENT

I am pleased to present to you the annual report on the performance of the Citizens Economic Empowerment Commission (CEEC) during the year 2022.

The year 2022 was an exciting one for the Commission as the President of the Republic of Zambia, Mr. Hakainde Hichilema through the Minister of Small Medium Enterprise Development, Hon. Eng. Elias Mubanga, appointed the Board of Commissioners. Additionally, the Board appointed Director General, Dr. Charles Muwe Mungule, on 1st June 2022 to oversee the executive team of the Commission.

Dr. Mungule is an accomplished development finance and entrepreneurship specialist with experience in business development, organizational and private sector development, strategic management, project design and implementation, fisheries/aquaculture sector, research, and lecturing. He brings vast knowledge and experience to the Commission as seen from the innovative systems initiated and under implementation within his first six (6) months.

To increase meaningful citizen participation in the economy, the Commission introduced economic empowerment products in line with the 8NDP agenda of economic transformation and job creation.

The Commission made a call for 2023 empowerment products in December 2022 with the loan application window commencing and closing on 3rd January 2023 and 20th February 2023, respectively. The application process was online based hence increasing efficiency and transparency in loan application receipt and processing.

The Commission remains resolute to providing citizens with relevant products that will enhance their meaningful participation in the economy and provide decent jobs to targeted citizens. Finally, the Commission appreciates the government's unparalleled commitment to economic empowerment programmes through increased funding.

Jason Kazilimani
BOARD CHAIRPERSON

DIRECTOR GENERAL'S STATEMENT

- The Commission made strong progress towards the implementation of economic empowerment programmes in line with its mandate drawn from the CEE Act No. 9 of 2006. The Commission successfully formulated a **2022-2026 Strategic Plan** immediately after recruiting the management team. The notable achievements included:
- Disbursement of K187, 667,346.17 to 33,688 targeted citizens, MSMEs and Cooperatives, as of 31st December 2022.
- Enhanced geographic equity through the allocation of 87% of the 33,688 empowerment projects approved by the Commission to rural areas.
- Disbursed to women 48% of the 33,688-empowerment projects approved by the Commission.
- Disbursed to the youth 37% of the 33,688-empowerment projects approved by the Commission.
- Fostered strategic alliances through Memoranda of Understanding (MoUs) with Musika, Zambia Commodities Exchange (ZAMACE) & SARO Agro Ltd.
- Developed and implemented nine (9) empowerment products in line with the 8NDP.
- Recruited seven (7) members of staff out of the fifty-seven (57) vacant positions advertised in June 2022 to boost the institution's capacity to deliver its mandate.
- Effectively Implemented entrepreneurship, mentorship, coaching and business skills trainings before and after disbursement to 33,688 MSMEs.

100% physical construction achieved for eight (8) Industrial Yards in Chipata, Kasama, Mongu, Ndola, Solwezi, Kafue, Mansa, and Kitwe Districts.

The Commission is committed to providing the citizenry with innovative products and services that are in line with actualizing government's vision of attaining a prosperous middle-income nation status by 2030, in line with the 8th National Development Plan. Further, the Commission is equally committed to improving loan recovery status to have a sustainable fund and this will be enhanced through mechanisms such as increased human resource, continuous project monitoring and provision of business development services to clients in accordance with 2022-2026 Strategic Plan. We look forward to an even more exciting and fully inclusive Year 2023 and beyond for the betterment and economic development of our nation, Zambia.

Charles Muwe Mungule, PhD
DIRECTOR GENERAL

1. INTRODUCTION AND INSTITUTIONAL OVERVIEW

1.1 Introduction

The following report is a presentation of progress made in programme implementation by the Citizens Economic Empowerment Commission (CEEC) for the year ended 31st December 2022. 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 further highlights the appointment of the new CEEC Board of Commissioners, the Director General, the 2022 empowerment programmes and achievements and concludes with a highlight on the focus for the Year 2023.

The Commission is responsible for investing and administering the Citizens Economic Empowerment Fund (CEEF), which was by law 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 multi-purpose 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: advise on the necessary changes to various types of legislation for the

- *(a)* effective delivery of economic empowerment initiatives; promote gender-equality in accessing, owning, controlling, managing and
- *(b)* 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 Board of Commissioners

Pursuant to the provisions of the Citizens Economic Empowerment Act No. 9 of 2006, the Republican President Mr. Hakainde Hichilema through the Minister of Small Medium Enterprise Development, Hon. Eng. Elias Mubanga, appointed 12-member Board of Commissioners in April 2022. The mandate of the Board is to oversee the way the Commission executes its mandate to realize its vision of being a leader in inclusive and sustainable citizenry economic empowerment. The Republican President through the Minister of Small and Medium Enterprise Development appoints the Chairperson of the Commission, whereas the Commissioners amongst themselves appoint the Vice-Chairperson.

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. The first CEEC Board of Commissioners under the New Dawn Government are presented at Figure 3.

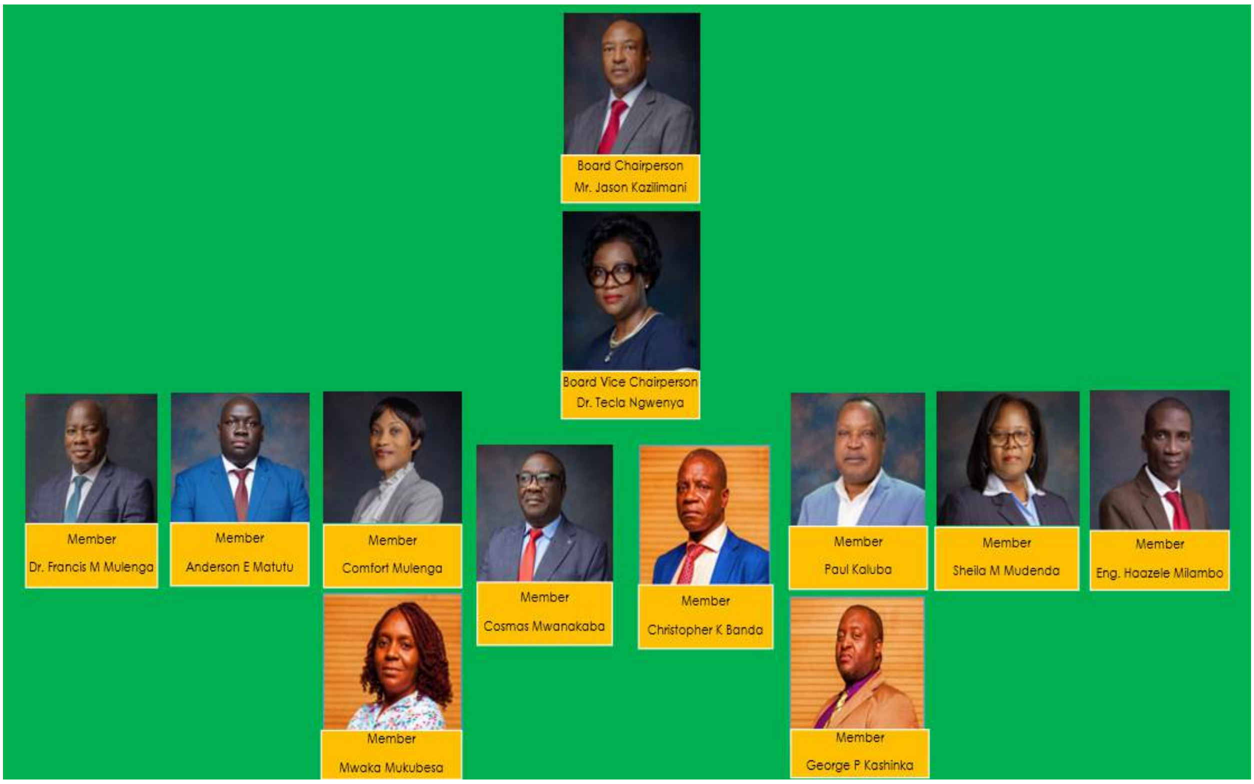


Figure 3 Board Structure

1.3.2 Executive Committee

The CEEC Executive Committee (EXCO) comprises the Director General who oversees five directorates namely, Finance, Credit and Risk, Business Development, Corporate Services and Legal Services as presented in Figure 4.

2. STRUCTURE OF THE EXECUTIVE COMMITTEE

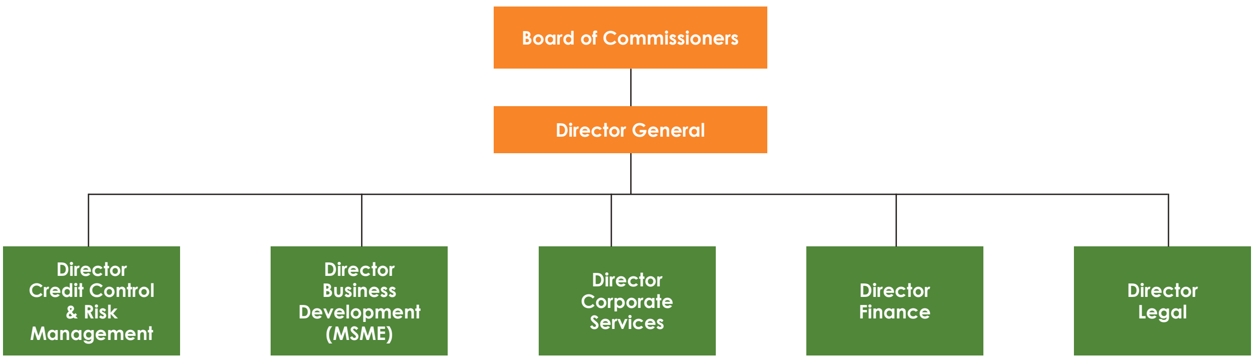
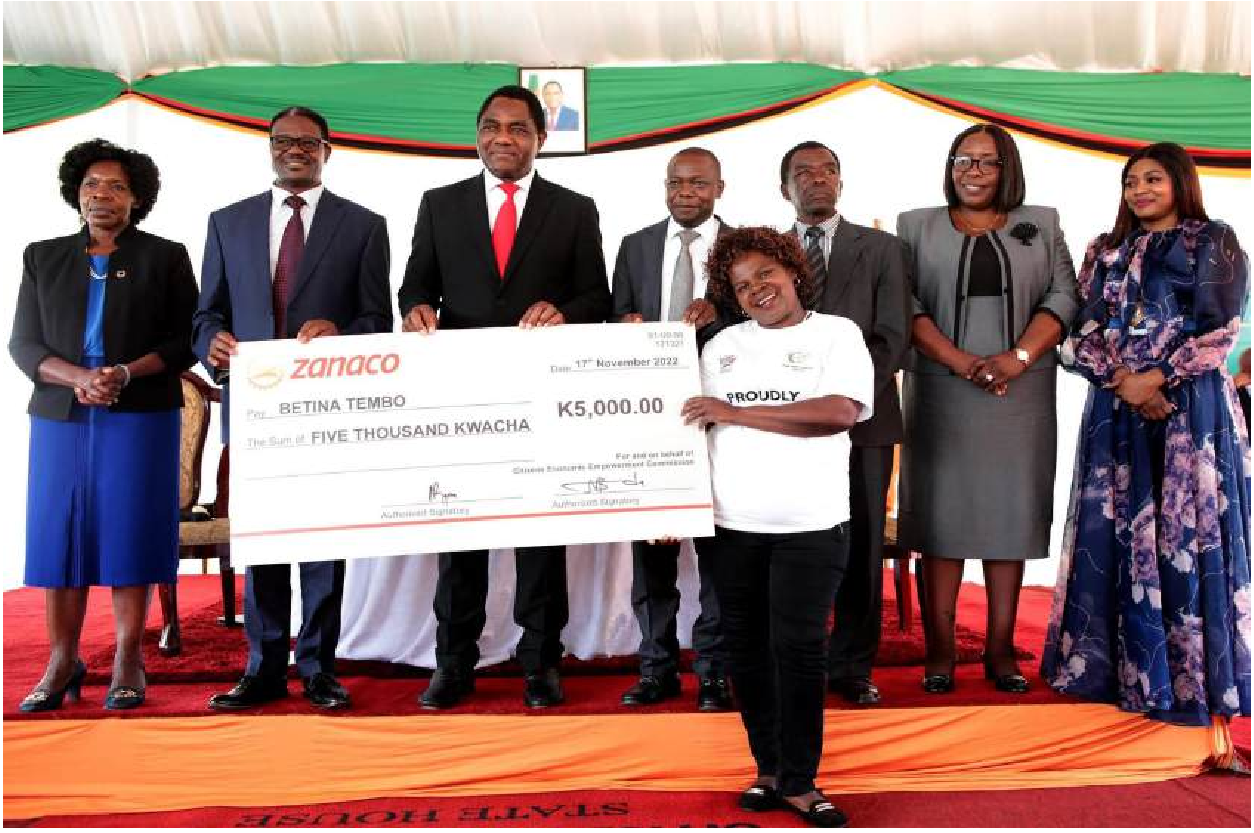


Figure 4 CEEC Executive Committee Structure

3. HIGHLIGHTS FOR THE YEAR



President Hakainde Hichilema, Minister of SMED Eng. Hon Elias Mubanga, Permanent Secretary Ms. Yvonne Mpundu and CEEC DG during the official handover of the Marketeer Booster Loan Cheque at State House

President Hakainde Hichilema and CEEC DG during the official launch of the Marketeer Booster Loan Product at State House

Minister SMED tour the CEEC stand at the Trade Fair in Ndola

President Hakainde Hichilema and SMED Minister tour the CEEC stand at the International Trade Fair

Eastern Province Minister and Chipata Mayor tour the CEEC Stand during the Provincial Agriculture and Commercial Show in Chipata.

Zangena Season! Marketeers celebrate receipt of interest free Marketeer Booster Loans

4. CORPORATE GOVERNANCE

This section depicts the level of meetings held by the Board of Commissioners

Table 1: Attendance for the Ordinary Board Meetings held in 2022

Name	Meetings Held	Attended
Mr. Jason Kazilimani	3	3
Dr. Tecla Ngwenya	3	3
Eng. Eugene Haazele	3	3
Eng. Cosmas Mwanakaba	3	3
Mr. Paul Kaluba	3	3
Dr. Francis Mulenga	3	3
Mr. George Kashinka	3	3
Mr. Nelson Nyangu	3	3
Mr. Christopher Banda	3	3
Mr. Anderson Matutu	3	3
Mrs. Sheila. M. Mudenda	3	3
Ms. Comfort Mulenga	3	3
Ms. Mwaka Mukubesa	3	3
Total	**39**	**39**

Table 2: Number of Committee Meetings held in 2022

Committee	Scheduled Meetings	Meetings Held	Special Meetings
Audit and Risk	3	3	-
Finance and Administration	3	3	-
Empowerment	3	3	-
Credit	3	3	-
Total	**12**	**12**	**-**

Table 3: Attendance for the Audit and Risk Committee Meetings held in 2022

Name	Scheduled	Held	Attended
Mr. Paul Kaluba	3	3	3
Dr. Tecla Ngwenya	3	3	2
Ms. Comfort Mulenga	3	3	3

Name	Scheduled	Held	Attended
Mr. Chansa Chiteba	3	3	3
Total	**12**	**12**	**12**

Table 4 Attendance for the Finance and Administration Committee Meetings

Name	Scheduled	Held	Attended	Special Meeting
Dr. Tecla Ngwenya	3	3	3	1
Mr. Paul Kaluba	3	3	3	1
Mr. Nelson Nyangu	3	3	3	1
Mr. George Kashinka	3	3	3	1
Mr. Christopher Banda	3	3	3	1
Total	**15**	**15**	**15**	**5**

Table 5: Attendance for Empowerment Committee Meetings held in 2022

Name	Scheduled	Held	Attended
Eng. Cosmas Mwanakaba	3	3	3
Mr. Anderson Matutu	3	3	3
Mr. Muteba Ngonga	3	3	3
Ms. Mwaka Cynthia Mukubesa	3	3	3
Total	**12**	**12**	**12**

Table 6: Attendance for the Credit Committee Meetings held in 2022

Name	Scheduled	Held	Attended
Eng. Eugene Haazele	3	3	3
Dr. Francis Mulenga	3	3	3
Mr. Jetty Lungu (Co-opted)	3	3	3
Mrs. Sheila. M. Mudenda	3	3	3
Total	**12**	**12**	**12**

Table 7: Summary Attendance of Committee Meetings

Member	Committee	Number of Meetings
Dr. Tecla Ngwenya	Finance & Administration	3
	Audit & Risk	3
Mr. Paul Kaluba	Audit & Risk	3
	Finance & Administration	3
Eng. Cosmas Mwanakaba	Empowerment	3
Eng. Eugene Haazele	Credit	3
Dr. Francis Mulenga	Credit	3
Mr. Nelson Nyangu	Finance & Administration	3
Mr. Christopher Banda	Finance & Administration	3
Mr. George Kashinka	Finance & Administration	3
Ms. Comfort Mulenga	Audit & Risk	3
Mrs. Sheila. M. Mudenda	Credit	3
Ms. Anderson Matutu	Empowerment	3
Ms. Mwaka Cynthia Mukubesa	Empowerment	3
Mr. Chansa Chiteba (Co-opted)	Audit & Risk	3
Ms. Inonge Wamunyima (Co-opted)	Audit & Risk	3
Mr. Muteba Ngonga (Co-opted)	Empowerment	3
Mr. Jetty Lungu (Co-opted)	Empowerment	3
total		**54**

5. 2022 ECONOMIC EMPOWERMENT PRODUCTS

The following empowerment products were approved by the Board under the 2022 call for applications.

Table 8: 2022 Empowerment Products

Empowerment Product	Loan Description & Tenure	Loan Threshold
1. Annual Presidential Awards	Presidential grant awarded to identified SMEs.	Based on MSME category
2. Light Manufacturing Loan	Long term project finance at 12% interest (5 years repayment)	Up to K2,000,000.00
3. Agro-Processing Loan	Long term project finance at 12% interest (5 years repayment)	Up to K2,000,000.00
4. Agricultural Mechanisation Loan Product	Long term project finance at 12% interest (5 years repayment)	Up to K2,000,000.00
5. ICT, Innovation and Creative Arts	Long term project finance at 12% interest (5 years repayment)	Up to K2,000,000.00

Empowerment Product	Loan Description & Tenure	Loan Threshold
6. Industrial Yards	Long term project finance at 12% interest (5 years repayment)	Up to K2,000,000.00
7. Auto Mechanics	Long term project finance at 12% interest (5 years repayment)	Up to K2,000,000
8. Marketeer Booster Loan for Individuals	Short term micro finance at no interest (6 months repayment)	Up to K5,000.00
9. Loan Product for Marketeer Cooperatives (with a focus on Bulking, Cold Storage and Processing facilities)	Long term project finance at 12% interest (5 years repayment)	Up to K500,000
10. Trade Finance (including Working Capital)	Short term finance at 12% interest (12 months)	Up to K2,000,000

5.1 Number of Applications Received in 2022

Figure 5 shows the number of applications received by the Commission from the 2022 empowerment products.

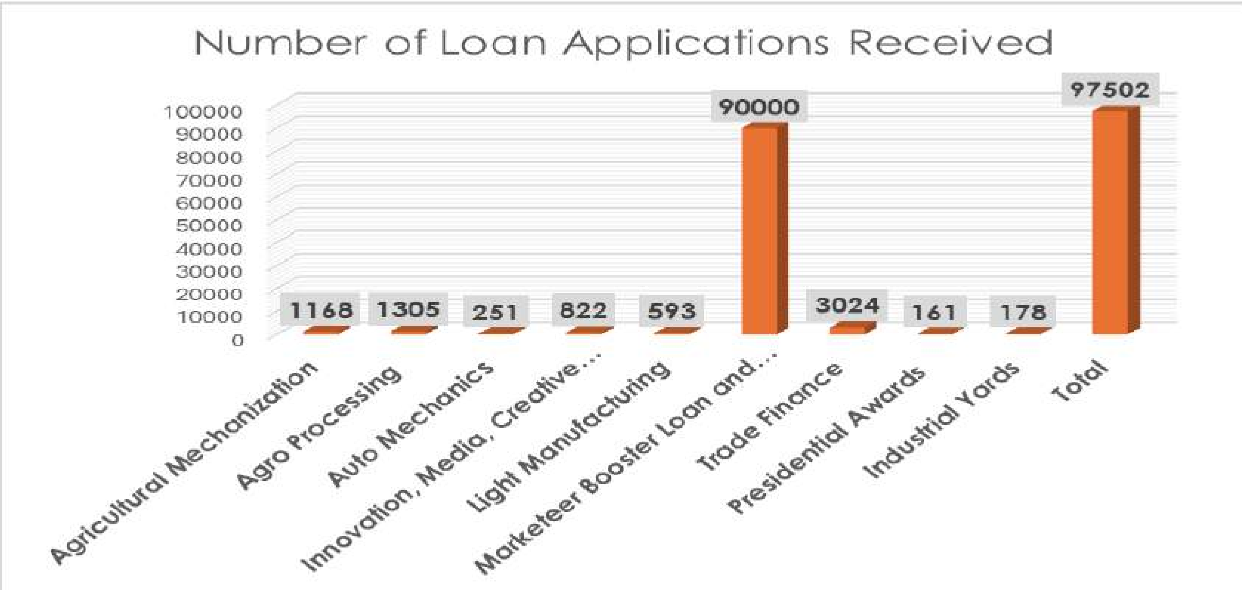


Figure 5: Number of Loan Applications Received

The Commission received a total of 97,502 loan applications across all empowerment products on offer in the year 2022. 90,000 loan applications were received for the Marketeer Booster Loan Product out of which **33, 591** valued at **K93,656,664.00** were funded in 2022. The high number of applications for marketer booster loans is attributed to relaxed loan conditions put in place by the Commission to enable the unbanked micro entrepreneurs to have cheap financing for business growth. The Marketeer Booster Loan Product was launched on 17th November 2022 by the Republican President, His excellency Mr. Hakainde Hichilema.

5.2 Value of Applications Received

Figure 6 shows the estimated value of applications received in 2022. The Commission received a total number of 97,502 applications valued at K10, 268,714,675.

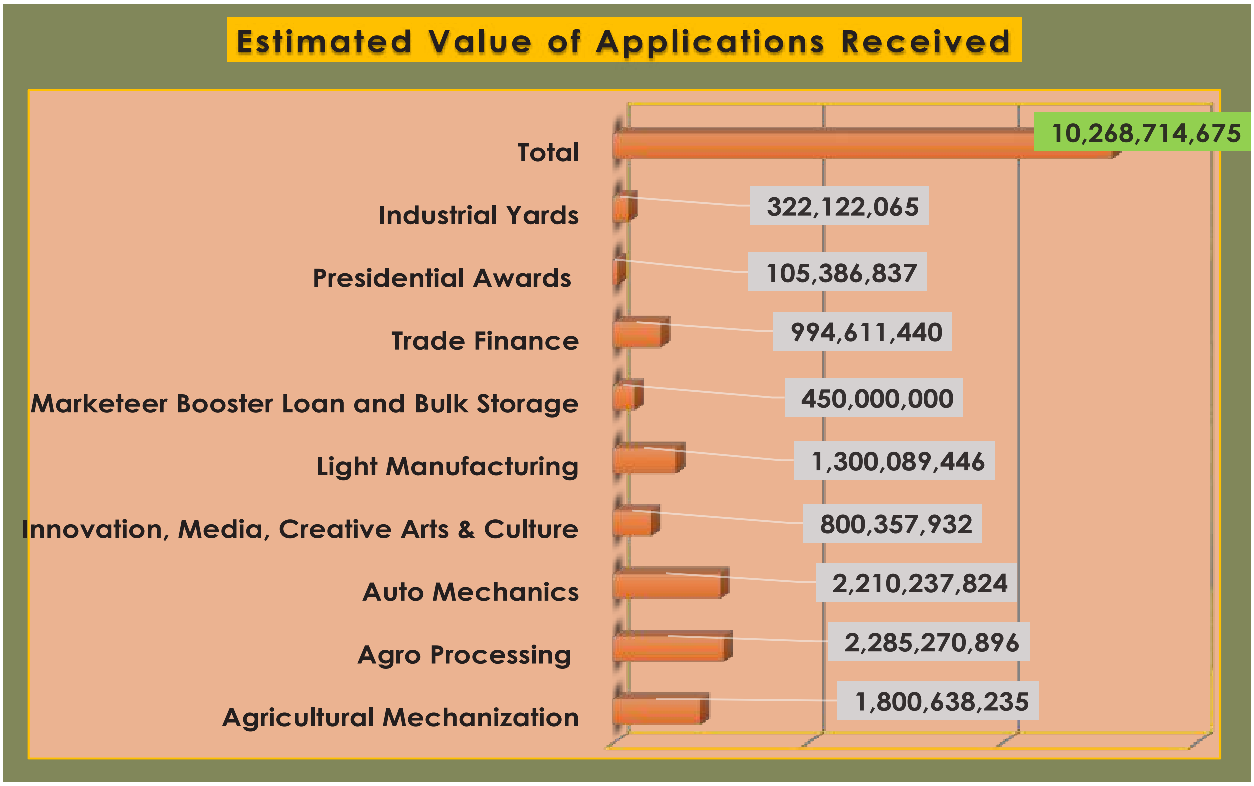


Figure 6 Value of Applications Received

5.3 Grants from Government

Table 9 shows the grants received from the Treasury from 2008 to 2022. The Commission received 100% funding from the Treasury in the years 2009, 2013 and 2022. In the years 2016, 2018, 2019 and 2021, the Commission did not receive any funding from the Treasury. In a bid to ensure economic growth and job creation, the Government increased empowerment funding allocation from K15million in 2021 to K350million in 2022.

Table 9 Allocated and Disbursed Grants from Government

Year	Amount Approved by Parliament	Amount Released by Treasury	% Amount released as a total of amount approved by Parliament
2008	150,000,000	96,181,000	64.12
2009	40,000,000	40,000,000	100.00
2010	25,000,000	22,000,000	88.00
2011	40,000,000	18,000,000	45.00
2012	47,000,000	25,000,000	53.19

Year	Amount Approved by Parliament	Amount Released by Treasury	% Amount released as a total of amount approved by Parliament
2013	53,000,000	53,000,000	100.00
2014	57,000,000	5,000,000	8.77
2015	82,000,000	10,000,000	12.20
2016	187,500,000	0	0.00
2017	35,163,450	15,000,000	42.66
2018	42,743,410	0	0.00
2019	46,681,002	0	0.00
2020	11,000,000	10,000,000	90.91
2021	15,000,000	0	0.00
2022	350,000,000	349,862,945	99.96

5.4 Total Disbursements

During the year under review, the Commission received a total of K350Million from the Government and K15Million was received from loan recoveries. This enabled the institution to make an unprecedented disbursement sum of K187.7Million to 33,688 targeted citizens, companies, and cooperatives.

The disbursements were made towards investments in the eight (8) empowerment products rolled out in August 2022 valued at K187.7Million. This funding allowed targeted citizens, companies, and cooperatives in economic activities to enable them to contribute positively to the country's economic development 51.42% of the total allocation. The remainder of the funds representing 48.58% of K365million were committed to 41,681beneficiaries, and were earmarked for disbursement in 2023.

Figure 6 and 7 below shows the disbursements that were made by the Commission in 2022.

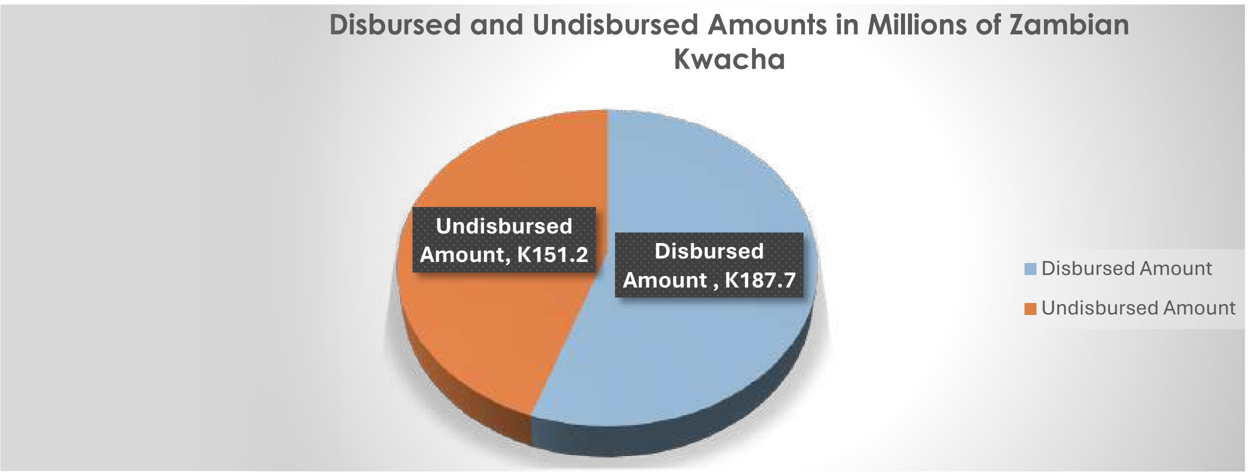


Figure 6 Disbursed Funds in 2022

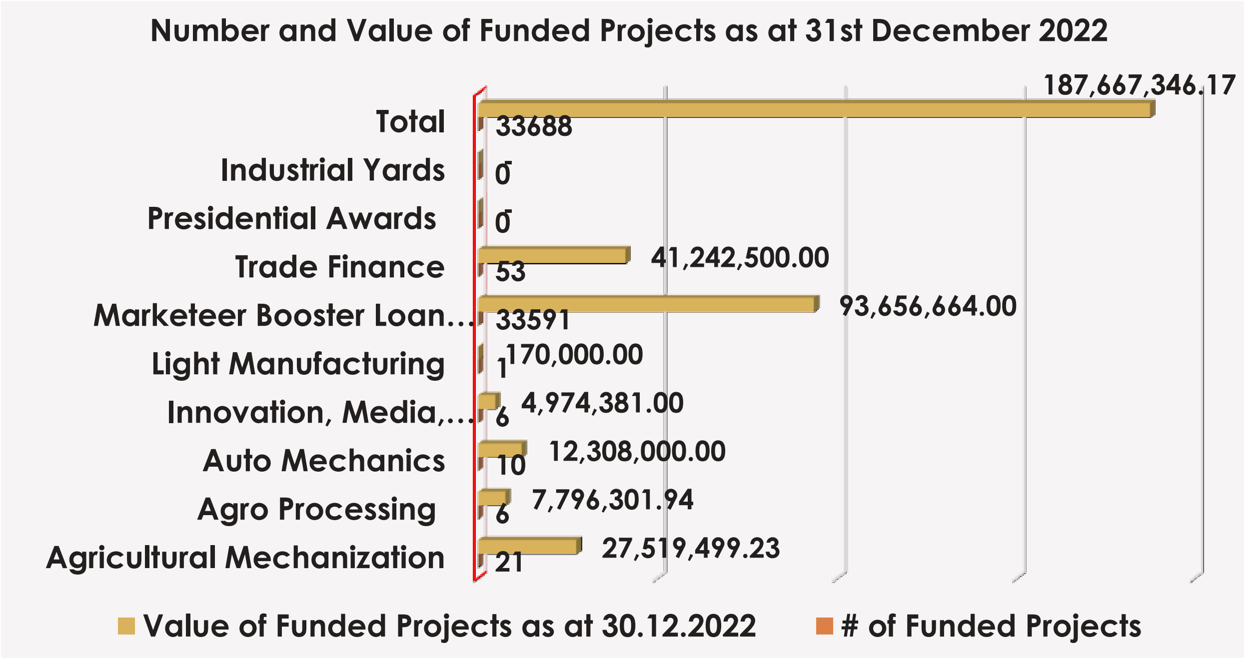


Figure 7 Number and value of Disbursed Funds per Product in 2022

6. ACHIEVEMENTS ACCORDING TO STRATEGIC OBJECTIVES

The achievements are anchored on the Commission's mandate of fostering broad based empowerment to targeted citizens and companies through diverse and integrated economic strategies to fast-track socioeconomic development. The Commission accomplished the following.

6.1 Strategic Theme: Socioeconomic Development

Table 10: Socio Economic Development

Strategic objective (SO)		Key Performance Indicator	Target (2022)	Achieved (2022)	Comments
1	Enhance entrepreneurship development	Number of Citizens trained in entrepreneurship skills	35,000	33,939	The Commission's achievement was below target as most empowerment measures including access of finance were implemented in late November thus not many jobs were created.
		Number of jobs created	135,960	75,921	The late disbursement in November 2022 contributed to the low number of jobs created.

Strategic objective (SO)		Key Performance Indicator	Target (2022)	Achieved (2022)	Comments
2	Improve equitability of empowerment programs	% achievement on social/ gender distribution	Y-40%	Y-39%	The introduction of marketeer booster loans increased participation of women and youths.
			W-40%	W-41%	
			PD-5%	PD-4%	
			M-15%	M-16%	
		% of rural projects out of total projects funded	85%	87%	The Commission prioritized rural areas in disbursement of empowerment funds. This was meant to enhance industrialization and job creation in rural areas.
3	Enhance provisions and actualization of the CEE Act	Level of implementation of amendments made	100%	0%	There were no amendments made to the CEE Act.
		Adherence to provisions of the act	Fully adhere	Fully adhered	The Commission was compliant as of December 2022.
4	Enhance sustainability of empowerment programs	Number of Joint Ventures (JVs) and financial/ investment partnerships secured	-	3	The Commission signed memoranda of understanding with SARO, MUSIKA and ZAMACE.
		Loan recovery rate	75%	55%	The loan repayment rate closed at 55% in December 2022 from 27% recorded in July 2022.

6.2 Strategic Theme: Stakeholder Engagement

Table 11 Stakeholder Engagement

Strategic objective (SO)		Key Performance Indicator	Target (2022)	Achieved (2022)	Comments
1	Rebuild corporate reputation	Adherence to corporate re-branding plan	Fully adhere	Fully adhered	The Commission implemented a corporate branding plan to which it fully adhered.

Strategic objective (SO)		Key Performance Indicator	Target (2022)	Achieved (2022)	Comments
2	Enhance stakeholder engagement	Number of engagement meetings	3	12	Meetings were undertaken to sensitize stakeholders on novel empowerment products

6.3 Strategic Theme: Operational Excellence

Table 12 Operational Excellence

Strategic objective (SO)		Key Performance Indicator	Target (2022)	Achieved (2022)	Comments
1	Enhance operational efficiency	# of improvement ideas reported	10	10	The 2022 empowerment products were conceived from leads provided by members of staff.
2	Improve staff morale	% increase in number of staff meeting monthly deadlines	50%	75%	The Commission increased the number of meetings held by December 2022
3	Broaden financial base	Empowerment funding from treasury	K0.35Bn	K0.34Bn	99.96 percent of allocated amount was received from Treasury
		Operational grant from treasury as % of Empowerment Funding	12%	0.04%	The unparalleled increase in empowerment funding caused reduction in operational grant percentage. The government increased empowerment funds to K350, 000,000 in 2022 from K15, 000,000 in 2021.

Strategic objective (SO)		Key Performance Indicator	Target (2022)	Achieved (2022)	Comments
		Empowerment funding from alternative sources	0	K0.26Bn	Empowerment funds were disbursed under the Aquaculture Seed Fund
4	Enhance financial management	Level of adherence to financial procedures	Full adherence	Full adherence	The Commission fully adhered to financial procedures as prescribed in its approved policies.

7. PREFERENTIAL PROCUREMENT CERTIFICATION

Pursuant to Section 19 of the CEE Act No. 9 of 2006, the Citizens Economic Empowerment Commission (CEEC) is mandated to facilitate the participation of targeted citizens and enterprises in preferential procurement to promote the participation of targeted citizens and enterprises in tender for the procurement of services and goods for any State institution at national, provincial and district levels.

Through, Preferential procurement, the Commission has enthusiastically promoted the participation of Zambian SMEs, some of which have often been historically disadvantaged, in government contracts and business opportunities, thereby fostering economic empowerment, social inclusion, and achieving broader societal goals like job creation and local development, while still acquiring necessary goods and services. In essence, Preferential Procurement certification has and continues to serve as a valuable tool to drive economic transformation and inclusivity in the nation.

By December 2022, the Commission had issued 2,664 of preferential procurement certificates as indicated at Figure 8.

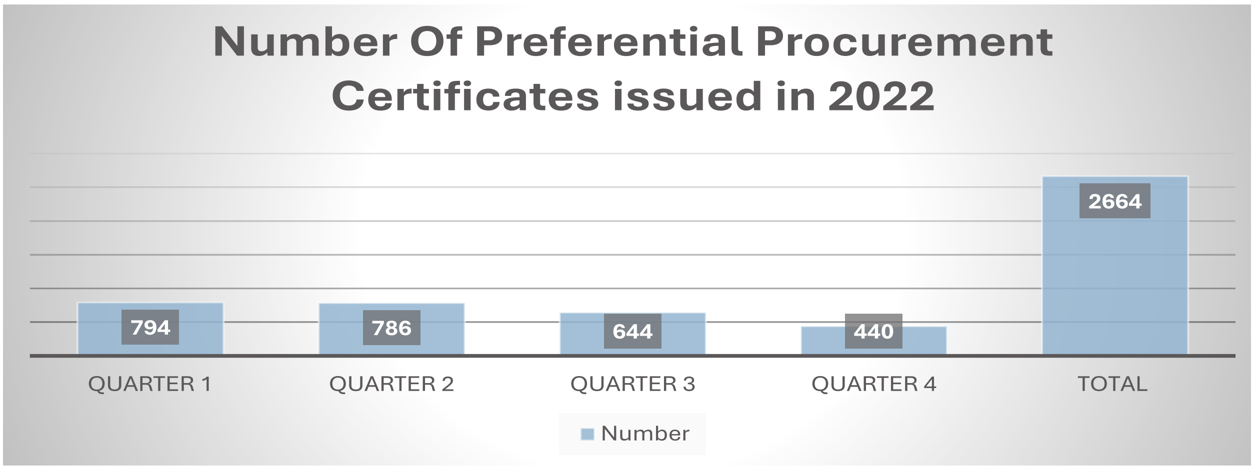


Figure 8: Number of Preferential Procurement Certificates issued in 2022

8. MANAGEMENT OF THE AQUACULTURE SEED FUND (ASF)

The Government of the Republic of Zambia, through the Ministry of Fisheries and Livestock (MFL) with support from the African Development Bank (AfDB), implemented the Zambia Aquaculture Enterprise Development Project (ZAEDP) whose objective was to contribute to economic growth as well as provide food and nutrition security in Zambia. The Project's development objective was to advance the aquaculture sub-sector as a viable and inclusive business opportunity, through enhanced production and productivity, to improve the livelihoods of beneficiaries along the aquaculture value chain. MFL was the Executing Agency of the ZAEDP while the Department of Fisheries (DoF) the Implementing Agency.

As such, and as part of the ZAEDP, DoF established an Aquaculture Seed Fund (ASF), to which it allocated USD 27 million. The objective of the ASF was to address the development constraints in the aquaculture sub-sector and contribute to economic growth, as well as to food and nutrition security in Zambia through a value chain development approach. The MFL appointed CEEC as its Implementing Partner for the ASF to specifically manage the seed fund. As at the close of 2022, the ASF financed 2,312 MSMEs along the Aquaculture Value Chain. The total disbursement was K261, 333, 423.93 as shown in Table 13.

From Table 13, Southern Province recorded the highest percentage (93%) of disbursements against the approved amounts while Eastern Province recorded the lowest percentage (63%). This scenario was due to the use of cages as opposed to ponds in Southern and Eastern Provinces, respectively. In Eastern province, some fish farmers delayed to complete pond excavation and could not be provided with the second allocation of funds. Table 6 shows approved and disbursed amounts under the Aquaculture Seed Fund (ASF).

Table 13: ASF Approved and Disbursed Amounts

Province	Number	Project Amount	Amount Disbursed	Percentage
Central	135	20,984,054.57	17,013,243.63	81%
Copperbelt	207	31,799,452.84	24,888,106.55	78%
Eastern	198	24,352,847.06	15,408,296.71	63%
Luapula	240	31,109,063.95	22,079,541.76	71%
Lusaka	198	52,840,891.27	44,139,886.68	84%
Muchinga	188	22,261,250.32	15,295,069.39	69%
Northern	276	41,389,536.33	31,277,792.53	76%
Northwestern	280	39,166,775.76	29,878,736.78	76%
Southern	344	43,381,082.49	40,299,573.32	93%
Western	246	25,700,106.91	21,053,176.58	82%
Total	**2,312**	**332,985,061.5**	**261,333,423.93**	**78%**

9. SKILLS DEVELOPMENT AND ENTREPRENEURSHIP PROJECT-SUPPORTING WOMEN AND YOUTH

The Government of the Republic of Zambia received funding from the African Development Bank (AfDB) towards the implementation of the Skills Development and Entrepreneurship Project Supporting Women and Youth. It applied part of the funds towards the development of Industrial Yards and Cassava Commercialisation in Zambia through the Citizens Economic Empowerment Commission (CEEC). The Project provided US$30 million to facilitate the construction of 8 Industrial Yards and provided support to Cassava Value Chain development in target districts. The districts targeted for construction of Industrial Yards included Mansa, Kasama, Solwezi, Chipata, Mongu, Kafue, Kitwe, and Ndola.

By December 2022, construction of eight (8) industrial yards namely: Chipata, Mongu, Ndola, Solwezi, Kasama, Kafue (located in the Lusaka South Multi-Facility Economic Zone), Kitwe and Mansa were complete. The Mongu Industrial Yard was commissioned on 2nd September 2022 by His Excellency, the President of the Republic of Zambia, Mr. Hakainde Hichilema through the Minister of Small and Medium Enterprise Development, Mr Elias Mubanga whilst the remaining Industrial Yards were commissioned in 2023.

The Board and Management realised that the idea of Industrial Yards was lowly pitched and decided to re-conceptualize them into Centres of Excellence with a focus to establish business incubation centres using the cooperative model. In this regard, Management's action plans were as follows.

- Re-scoping the eight (8) existing Industrial Yards into 30 workshops at an estimated total cost of K100 million.
- Establishing three (3) additional Industrial Yards in Southern, Central and Muchinga Provinces at an estimated cost of K153 Million.
- Operationalizing the 10 Industrial Yards with an estimated cost of K200 Million.

10. CEEC 2022-2026 STRATEGIC PLAN

The Commission developed a 5-year Strategic Plan (2022-2026) whose focus is to actualize the vision of being a leader in inclusive and sustainable citizenry economic empowerment in line with its nine (9) pillars. The Commission heavily anchored on the Government's agenda of economic transformation and job creation by encouraging targeted citizens and companies to participate in investments for accelerated growth of the local economy. As a result, rural areas were given special attention in terms of investment opportunities. In addition, the loan repayment and savings culture among citizens became one of the key agenda issues in the implementation of the strategic plan.

11. EXHIBITIONS AND ANNUAL AWARDS

The CEEC emerged winner under Best Development Support Services category at the 2022 International Trade Fair in Ndola. The Commission was also ably represented in some Provincial Agriculture and Commercial shows where it won awards in Best Empowerment of all citizens and value-added products in Mongu, Western Province, and Bronze in Financial Services (Non-Banking) in Chipata, Eastern Province.

12. RECRUITMENT OF STAFF

The Commission advertised 57 vacant positions in June 2022 to boost the institution's capacity to deliver on its mandate. Of the 57 advertised positions, seven (7) had been filled as of 31st December 2022. This development ensured that loan application processing got faster and significantly enhanced the publics enjoyment of better service delivery from the Commission.

13. RISK MANAGEMENT MEASURES

The Commission devised several de-risking measures such as.

- Revising and strengthening of the Credit Policy and Manuals.
- Provision of Business Development Services including Project Monitoring and Evaluation.
- Fostering strategic alliances through Memoranda of Understanding (MoUs) with Musika, Zambia Commodities Exchange (ZAMACE) & SARO Agro Ltd, and others in the pipeline for the future.
- Ensuring Credit Life and Key man insurance in relation to key promoters of funded enterprises.
- General insurance cover on all assets pledged as collateral against any accidental damage or loss during loan tenure period.

14. MEMORANDA OF UNDERSTANDING

The Commission signed three (3) main Memoranda of Understanding with three different institutions in 2022. These include:

14.1 Memorandum of Understanding (MoU) with SARO Agro Industrial Limited

On 23rd December 2022, the Commission signed an MOU with SARO Agro Industrial Limited, an international firm involved in the manufacturing, flooring, and distribution of assorted agricultural equipment to farmers and other business establishments. The agreement was to ensure that Commission beneficiaries, mainly in agro-processing and agriculture in general got access to improved technologies and high-quality equipment to make them efficient on their farms and/or processing plants. In the long run, the vision was for them to significantly contribute to fast tracking the country's economic development and compete on the global market.

14.2 Memorandum of Understanding (MoU) with MUSIKA and the ZAMACE

The Government of the Republic of Zambia through the Ministry of Small and Medium Enterprises concluded a memorandum of understanding under the CEEC with Musika Zambia, a donor funded organisation aimed at strengthening and promoting sustained growth of the small rural agribusiness through market linkages. The MoU was meant to strengthen and promote sustained growth of the SME sector through access to finance, technology transfer, market linkages and business development support services for SMEs in the agricultural sector in Zambia. It was envisaged that government, through CEEC, would provide investment support to SMEs operating in the agriculture sector, and leverage on MUSIKA's experience in brokering commercial and market linkages between SMEs and major primary suppliers and off takers.

14.3 Memorandum of Understanding (MoU) with ZAMACE

The Citizens Economic Empowerment Commission (CEEC) signed a Memorandum of Understanding (MoU) with the Zambia Commodity Exchange (ZAMACE) to strengthen and promote the growth of the SME sector, focusing on access to finance, technology transfer, market linkages, and business development services. The MoU aimed to bolster the Small and Medium Enterprise (SME) sector in Zambia, particularly in the agricultural sector, by providing access to finance, technology transfer, market linkages, and business development support services. The role of CEEC was to provide financial investment support to SMEs operating in the agricultural sector whilst ZAMACE's Role was to leverage its experience in brokering commercial and market linkages between SMEs and major primary suppliers and off-takers. The duration of the MoU is valid for 5 years.

15. CHALLENGES

15.1 Low Staffing Levels

The Commission operated with a staff capacity of 44% during the year 2022. As of 31st December 2022, the Commission had yet to fill the executive management team of five Directors. This adversely affected programme implementation and efficient service delivery.

15.2 Empowerment Fund Constraints

The value for applications received per annum outweighed the budgetary allocation of the empowerment fund loan applications received. For example, over 90,000 applications were received with a total value of over K11 billion which exerted immense pressure on the budgetary allocation of K350 million empowerment funds. In this regard, the Commission commenced the disbursement of short-term financing facilities (trade finance and working capital) as one way of quickly revolving the fund. Also, the Commission partnered with SARO for equipment lease financing as this will provide partial payment for equipment.

15.3 Operational Capacity

CEEC was faced with the challenge of operational capacity in terms of motor vehicles, tools, and equipment. Consequently, this reflected in the general performance of the Commission as planned activities (including loan recoveries) could not easily be undertaken.

15.4 The Impact of COVID-19 on CEEC funded projects.

During 2022, COVID-19 was among the major global challenges affecting all facets of corporate entities. The business performance for supported entities plummeted hence affecting loan repayments and the general creation of sustainable jobs. The Commission came up with innovative products to address some of the challenges affecting targeted citizens which included the following:

- Providing the SMEs with resources and tools such as working capital to help them navigate the economic shock from the COVID 19 pandemic.
- Intensified the use of online services to ensure there was no basis for possible increase of COVID cases affecting both the SME owners and employees
- Restructured most SME loans to cushion the effect of COVID on the SME performance and loan repayment

16. FOCUS FOR 2023

Based on the K397 million budgetary allocation from the National Treasury for 2023, the Commission earmarked to advertise various empowerment products for interested targeted citizens and companies to access in 2023 as presented at Table 14.

Table 14 2023 Economic Empowerment Products

Empowerment Product	Loan Description & Tenure	Loan Threshold
1. Energy Loan Product	Long term project finance at 12% interest (5 years repayment)	Up to K3,000,000
2. Aquaculture Loan Product for Cage Farming	Long term project finance at 12% interest (5 years repayment)	Up to K180,000
3. Tourism Loan Product	Long term project finance at 12% interest (5 years repayment)	Up to K3,000,000
4. Graduate Loan Product	Long term project finance at 12% interest (5 years repayment)	Up to K1,000,000
5. Livestock Out grower Scheme for Beef, Dairy	Long term project finance at 12% interest (5 years repayment)	Up to K1,000,000
6. Mining Loan Product	Long term project finance at 12% interest (5 years repayment)	Up to K3,000,000

Empowerment Product	Loan Description & Tenure	Loan Threshold
7. Construction and Infrastructure Loan Product	Long term project finance at 12% interest (5 years repayment)	Up to K3,000,000
8. Own a Taxi and Minibus Loan Product	Long term project finance at 12% interest (5 years repayment)	Up to K500,000
9. Annual Presidential Awards	- Grants meant to appreciate and support MSMEs that have demonstrated high pitched performance in terms of business growth, innovation within the business and job creation	-Up to K125,000
10. Light Manufacturing Loan Product	Long term project finance at 12% interest (5 years repayment)	Up to K3,000,000
11. Agro-Processing Loan Product	Long term project finance at 12% interest (5 years repayment)	Up to K3,000,000
12. Agricultural Mechanisation Loan Product	Long term project finance at 12% interest (5 years repayment)	Up to K3,000,000
13. Industrial Yards	Long term project finance at 12% interest (5 years repayment)	Up to K3,000,000
14. Marketeer Booster Loan for Individuals	Short term loans for Marketeers without interest (6months loan tenor)	Up to K5,000
15. Loan Product for Marketeer Cooperatives with a focus on Bulking, Cold Storage and Processing facilities	Long term project finance at 12% interest (5 years repayment)	Up to K500,000
16. Trade Finance including Working Capital	Short term finance at 12% interest (12 months)	Up to K3,000,000

17. CONCLUSION

The Commission provided the targeted citizenry with innovative products that were in line with actualizing Government's vision of attaining a prosperous middle- income nation status by 2030. To ensure a sustainable empowerment fund, the Commission committed to improving loan recovery through an increased human resource, continuous project monitoring and provision of business development services to clients.

The Commission is positive that the investments made by targeted citizens and companies are reaping positive rewards in the creation of sustainable businesses, improved standard of living and quality of life, wealth, and job creation with a goal of reducing poverty.

ONE ZAMBIA ONE NATION

REPUBLIC OF ZAMBIA

Citizens Economic Empowerment Commission

CITIZENS ECONOMIC EMPOWERMENT FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2022

THE AUDITOR GENERAL
P.O BOX 50071
LUSAKA – ZAMBIA

REPUBLIC OF ZAMBIA
MINISTRY OF SMALL & MEDIUM
PO BOX
LUSAKA

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

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 2022

Commissioners	Mr. Jason Kazilimani	Chairman
	Dr. Tecla Ngwenya	Vice – Chairperson
	Mr. Paul Kaluba	Commissioner
	Eng. Cosmas Mwanakaba	Commissioner
	Mr. George Patrick Kashika	Commissioner
	Eng. Eugene Milambo Haazele	Commissioner
	Ms. Sheila S. Mudenda	Commissioner
	Ms. Comfort Mulenga	Commissioner
	Dr. Francis Mutale Mulenga	Commissioner
	Ms. Mwaka Cynthia C. Mukubesa	Commissioner
	Mr. Anderson E. Matutu	Commissioner
	Mr. Christopher Banda	Commissioner
Registered Office	Plot No. 6457 P.O Box 35068 Los Angeles Boulevard Longacres, Lusaka Zambia.	
Bankers	Zanaco Bank (Z) Ltd Atlasmara 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 2022

Table of Contents

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

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 2022 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 2022

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 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 2022

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 2022.

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 2022 the Fund attained a surplus of K195,978,850 compared to a surplus of K8,100,532 in 2021.

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 2022

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 2022, the Fund's investment in properties, plant and equipment amounted to K1,157,018 (2021: K 1,157,018) 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.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

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 2022

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 – 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 2022, 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 2022 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 4 of the financial statements, which indicate that the Fund made a provision of bad debts of K153,121,294 (2021: K8, 287,119) in the period under review. This represented 34% of the loan book. My opinion is not modified in respect of this matter.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

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 2022, date the total value of partially funded project was K34,841,421 relating to 832 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 2022, the Commission had a balance of K47,074,403 in its suspense account. This figure related to receipts that could not be allocated to the individual loan accounts (clients).	• 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 2022

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.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

- 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 2022 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 been 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 2022

Statement of Surplus or Deficit

For the year ended 31 December 2022

	Note	2022	2021
Income		**ZMW**	**ZMW**
Revenue	13.	349,681,946	-
Other income	14.	418,198	550,535
Total Revenue		**350,100,144**	**550,535**
Expenditure			
Operating expenses	15.	629,718	700,002
Provision for doubtful debts	16.	153,491,576	(8,287,119)
Depreciation and amortisation	17.	-	37,120
Total Expenditure		**154,121,294**	**(7,549,997)**
Operating Surplus		**195,978,850**	**8,100,532**
Total Operating Surplus		**195,978,850**	**8,100,532**

There were no items of comprehensive income during the year (2021: 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 2022

Statement of Financial Position

For the year ended 31 December 2022

	Note	2022 ZMW	2021 ZMW
ASSETS			
Non Current Assets			
Property, Plant and Equipment	17.	1,157,018	1,157,018
Loans Receivables	19.a	26,898,256	20,918,266
		28,055,274	**22,075,284**
Current Assets			
Loan Receivable	19.b	6,640,221	-
Other Receivables	21.	135,446	330,750
Cash and Cash Equivalents	22.	188,548,626	13,959,755
Total Current Assets		**195,324,293**	**14,290,505**
Total Assets		**223,379,567**	**36,365,789**
LIABILITIES AND EQUITY			
Equity			
Accumulated (Deficit)/Surplus	23.	176,305,164	(19,673,686)
Current Liabilities			
Trade and Other Payables	24.	47,074,403	56,039,475
Total Equity and Liabilities		**223,379,567**	**36,365,789**

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 2022

Statement of Changes in Equity

For the year ended 31 December 2022

	31 December 2022
Balance as at 1 January 2021	**(27,774,217)**
Deficit for the Year	8,100,532
Balance as at 31 December 2021	**(19,673,685)**
Balance as at 1 January 2022	(19,673,685)
Deficit for the Year	195,978,851
Balance as at 31 December 2022	**176,305,166**

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022	2021
		ZMW	ZMW
Cash Flows from Operating Activities			
Cash flows from operating activities	25	**349,528,913**	**118,930**
		349,528,913	**118,930**
Cash Flows from Investing Activities			
Loans Disbursed at Amortised Cost	26	(174,940,042)	(3,071,303)
Net Cash from Investing Activities		**(174,940,042)**	**(3,071,303)**
Increase/(Decrease) in cash and cash equivalents		**174,588,871**	**(2,952,373)**
Cash and Cash Equivalents at start of year		13,959,756	16,912,129
Cash and Cash Equivalents at end of year		**188,548,627**	**13,959,756**

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements
Accounting Policies
For the year ended 31 December 2022

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.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
For the year ended 31 December 2022

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.

Notes to the Financial Statements (continued)
Accounting Policies (continued)
For the year ended 31 December 2022

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.

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

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
For the year ended 31 December 2022

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 12) are classified as financial assets subsequently measured at amortised cost. 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.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
For the year ended 31 December 2022

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.

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.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
For the year ended 31 December 2022

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 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
For the year ended 31 December 2022

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.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
For the year ended 31 December 2022

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

Trade 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 trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities. The Fund measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade 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. Trade and Other Receivables

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

5.1 Classification

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

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
For the year ended 31 December 2022

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 trade and other receivables.

5.2 Recognition and Measurement

Trade and 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 trade 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.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
For the year ended 31 December 2022

5.4 Impairment

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

The Fund measures the loss allowance for trade and 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

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
For the year ended 31 December 2022

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 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 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
For the year ended 31 December 2022

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:

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.

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
For the year ended 31 December 2022

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 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 2022

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

	2022 ZMW	2021 ZMW
13. Revenue		
Government Grant	349,681,946	-
	349,681,946	**-**
14. Other Operating Income		
Interest from Bank	411,198	500,000
Other Income	7,000	50,535
	418,198	**550,535**
15. Operating Costs	**2022**	
Legal Costs	70,876	426,353
Bank Charges-Operations	5,562	3,849
Security Expenses	553,280	269,800
	629,718	**700,002**

16. Provision for bad debts

Description	**Grade**	**Classification**	**Provision**	**2022**	**2021**
				ZMW	**ZMW**
Good	A	Performing	0%		-
Pass (P)	B	Performing	0%	26,341,853	19,566,374
Sub standard	C	Non Performing	50%	635,889	1,351,891
Doubtful	D	Non Performing	75%	953,833	2,703,783
Loss	E	Non Performing	100%	423,359,808	268,197,769
Total Loan Book				**451,291,383**	**291,819,817**
Total provision as per credit policy				**(424,393,127)**	**(270,901,552)**
Provision for the year				**(153,491,576)**	**8,287,119**

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

17. Property Plant and Equipment

	2022 ZMW Opening Balance	ZMW Additions	ZMW Disposal	ZMW Depreciation	ZMW Total
Land and Buildings	-	-	-	-	-
Furniture and Fittings	-	-	-	-	-
Motor Vehicles	-	-	-	-	-
Office Equipment	-	-	-	-	-
Computer Equipment	-	-	-	-	-
Other Property, Plant and Equipment	-	-	-	-	-
Capital Work in Progress	1,157,018	-	-	-	1,157,018
Total	**1,157,018**	-	-	-	**1,157,018**

	2021 ZMW Opening Balance	ZMW Additions	ZMW Disposal	ZMW Depreciation	ZMW Total
Land and Buildings	-	-	-	-	-
Furniture and Fittings	-	-	-	-	-
Motor Vehicles	-	-	-	-	-
Office Equipment	-	-	-	-	-
Computer Equipment	-	-	-	-	-
Other Property, Plant and Equipment	37,120	-	-	37,120	-
Capital Work in Progress	1,060,018	97,000	-	-	1,157,018
Total	**1,097,138**	**97,000**	**-**	**37,120**	**1,157,018**

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.

	2022	**2021**
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 2022

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

		2022 ZMW	2021 ZMW
19.a.	**Non Current Loan Receivables**		
	Project Loan Receivables	451,291,383	291,819,817
	Less provision for doubtful debts	(424,393,127)	(270,901,552)
	Total	**26,898,256**	**20,918,265**
19.b.	**Current- Loan Receivables**		
	Loan Receivables	**6,640,221**	-
	Total Loan Receivables	**33,538,477**	**20,918,265**
20.	**Assets Held for Sale**	**10,878,122**	**10,878,122**

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 2022.

		2022 ZMW	2021 ZMW
21.	**Other Receivables**		
	Provinces Imprest	103,964	108,095
	Natsave Receivables	-	11,110
	Other Receivables	682	211,545
	Other Trade Receivables	30,800	-
	Total	**135,446**	**330,750**
22.	**Cash and Cash Equivalents**		
	Zanaco Main Account	185,710,433	12,021,169
	Absa Bank Account	797,791	737,991
	Natsave Micro Account	355,982	355,982
	Atlas Mara Account	1,662,983	823,381
	Investrust Account	21,437	21,233
	Total	**188,548,626**	**13,959,755**
23.	**Acculumated Deficit**		
	As at 1 January	(19,673,686)	(27,774,218)
	Deficit for the Year	195,978,850	8,100,532
	As at 31 December	**176,305,164**	**(19,673,686)**
24.	**Trade and Other Payables**		
	Suspense Account	47,074,403	55,901,975
	Other Payables	-	137,500
	Total	**47,074,403**	**56,039,475**

Citizens Economic Empowerment Fund
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

		2022 ZMW	2021 ZMW
25.	**Cash Generated from Operations**		
	Surplus	195,978,851	8,100,532
	Adjustments for:		
	Provision for bad debt.	153,491,576	(8,287,119)
	Depreciation and amortisation	-	37,120
	Changes in Working capital:		
	Other receivables	195,986	-
	Trade and other payables	(137,500)	268,397
	Total	**349,528,913**	**118,930**

26.	**Movement in Receipts & Disbursements**		
	Receipts during the year	10,324,904	1,236,381
	Less : Loans paid out (Loan Book)	(159,471,566)	(2,942,845)
	others	(25,793,380)	(1,364,839)
		(174,940,042)	**(3,071,303)**

REPUBLIC OF ZAMBIA

CITIZENS ECONOMIC EMPOWERMENT COMMISSION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2022

THE AUDITOR GENERAL
P.O BOX 50071
LUSAKA – ZAMBIA

REPUBLIC OF ZAMBIA
MINISTRY OF SMALL & MEDIUM ENTERPRISE DEVELOPMENT
PERMANENT SECRETARY
LUSAKA

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

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 2022

Commissioners	Mr. Jason Kazilimani	Chairman
	Dr. Tecla Ngwenya	Vice – Chairperson
	Mr. Paul Kaluba	Commissioner
	Eng. Cosmas Mwanakaba	Commissioner
	Mr. George Patrick Kashika	Commissioner
	Eng. Eugene Milambo Haazele	Commissioner
	Ms. Sheila S. Mudenda	Commissioner
	Ms. Comfort Mulenga	Commissioner
	Dr. Francis Mutale Mulenga	Commissioner
	Ms. Mwaka Cynthia C. Mukubesa	Commissioner
	Mr. Anderson E. Matutu	Commissioner
	Mr. Christopher Banda	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 2022

Table of Contents **Page**

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

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 2022 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 2022

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 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 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 2022

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 2022.

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 2022, the Commission made a surplus on operations of K3,701,986, (2021: deficit K6,474,918).

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 2022

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 1576 meter squared in Mass Media as a donation in December 2015 to develop an Empowerment House. The land was valued in 2022, hence its inclusion in the accounts. Its value is K2,408,000.00.

As at 31st December 2022 the Commission' s Investment in properties, plant and equipment amounted to K3,270,605 (2021: K522,735) of which K2,825,054 was added in the current year through additions.

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.

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

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

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

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 2022, 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 2022 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.

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

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 2022

- 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 2022 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
ACTING AUDITOR GENERAL

DATE: 02/05/ **2025**

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

Statement of Surplus or Deficit
for the year ended 31 December 2022

	Note	2022	2021
Income		**ZMW**	**ZMW**
Revenue	14.	25,621,288	18,047,371
Other Operating Income	15.	-	527,395
Total Revenue		**25,621,288**	**18,574,766**
Expenditure			
Employment Costs	16.	17,687,316	19,078,107
Other Operating Expenses	17.	4,154,778	5,904,832
Depreciation and Amortisation	18.	77,184	63,437
Total Expenditure		**21,919,278**	**25,046,376**
Operating Surplus/(Deficit)		**3,702,010**	**(6,471,610)**
Finance Costs	19.	24	3,308
Surplus/(Deficit) for the year		**3,701,986**	**(6,474,918)**

There were no items of other comprehensive income during the year (2021: nil).

The accounting policies and notes on pages 16 to 29 are part of these financial statements.

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

Statement of Financial Position

as at 31 December 2022

	Note	2022 ZMW	2021 ZMW
ASSETS			
Non Current Assets			
Property, Plant and Equipment	18.	3,270,605	522,735
Current Assets			
Receivables	20.	635,478	342,827
Inventory	21.	210,197	219,197
Prepayments, Short Term Investments	22.	58,502	50,901
Cash and Cash Equivalents	23.	7,630,185	2,355,940
Total Current Assets		**8,534,362**	**2,968,865**
Total Assets		**11,804,967**	**3,491,600**
EQUITY AND LIABILITIES			
Equity			
Capital Grant-Land	24.	2,408,000	-
Accumulated deficit	25.	(27,889,553)	(25,116,621)
Total Equity		**(25,481,553)**	**(25,116,621)**
Current Liabilities			
Payables	26.	37,286,520	35,083,139
Total Equity and Liabilities		**11,804,967**	**9,966,518**

The financial statements and the notes on page 12 to 29 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 2022

Statement of Changes in Equity

for the year ended 31 December 2022

	31 December 2022
Balance as at 1 January 2021	(25,116,621)
Deficit for the Year	(6,474,918)
Balance at 31 December 2021	**(31,591,539)**
Balance as at 1 January 2022	(31,591,539)
Surplus for the year	3,701,986
Balance as at 31 December 2022	**(27,889,553)**

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

Statement of Cash Flows

for the year ended 31 December 2022

	Note	2022	2021
		ZMW	ZMW
Cash flows from operating activities	27	**5,691,299**	**438,636**
		5,691,299	**438,636**
Cash flows from investing activities			
Purchase of Property, Plant & Equipment	18.	(417,054)	(541,717)
Net Cash flows from investing activities		**(417,054)**	**(541,717)**
Increase/(Decrease) in cash and cash equivalents		**5,274,245**	**(103,083)**
Cash and cash equivalents at start of year		2,355,940	2,459,023
Cash and cash equivalents at end of year		**7,630,185**	**2,355,940**

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements
Accounting Policies
for the year ended 31 December 2022

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 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2022

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.

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2022

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 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

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2022

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 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

Trade and 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 trade and other receivables.

5.2 Recognition and Measurement

Trade and 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 trade receivables is dependent on the credit risk of the receivable as follows:

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2022

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.

5.4 Impairment

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

The Commission measures the loss allowance for trade and 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 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

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2022

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 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

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2022

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

Trade 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 trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2022

activities. The Commission measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade 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.

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

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
Accounting Policies (continued)
for the year ended 31 December 2022

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 2022

Notes to the Financial Statements (continued)

for the year ended 31 December 2022

	2022	2021
14. Revenue	**ZMW**	**ZMW**
Government Grant	15,210,865	13,226,841
Project Finance Loan Interest	1,733,603	932,830
Project Finance Facility Fees	396,506	2,945,380
Trade Finance Facility Fees	8,280,314	942,320
	25,621,288	**18,047,371**
15. Other Operating Income		
Interest from Bank	-	5,395
Gain on disposal of Property, Plant and Equipment	-	522,000
Net other operating income	-	**527,395**
Total Revenue	**25,621,288**	**18,574,766**
16. Employment Costs		
Basic Salary	8,637,261	9,968,154
NAPSA	497,663	570,476
Housing Allowance	1,650,697	1,946,860
Gratuity	2,159,381	3,273,604
Leave Pay	660,411	172,214
Office Refreshments	31,629	11,436
Acting Allowance	250,133	137,425
Transport Allowance	1,996,572	2,413,093
Relocation Cost	147,559	92,444
Responsibility Allowance	91,041	61,225
PAYE	901	654
Workers Compensation	22,481	20,970
NHIMA	83,802	98,938
Staff Welfare - Other	43,591	9,668
Medical Expenses	1,182,023	218,232
Over Time	34,149	28,392
Funeral expenses	52,000	-
Recruitment Costs	146,022	6,290
Fine and Penalties	-	39,032
Entertainment Allowance	-	9,000
	17,687,316	**19,078,107**

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
for the year ended 31 December 2022

17. Operating Costs

	2022	2021
	ZMW	ZMW
Audit Fees	70,000	224,040
Promotion & Publicity	294,680	1,350
Office Expenses	23,634	7,514
Cleaning Expenses	244,075	234,591
Computer Expenses	491,022	280,037
Courier & Postages	32,659	55,485
Board Expenses	455,242	629,192
Debt Recovery Costs	160,000	-
Electricity and Water	123,703	86,664
Bank Charges-Operations	16,186	16,000
Procurement Expenses	55,450	76,550
Insurance-Motor Vehicle	178,402	994,181
Repair & Maintenance - Office equipment	12,532	500
Motor Vehicle Expenses - Repairs & Maintenance	175,434	54,551
Motor Vehicle Expenses - Fuel and Oil	52,599	68,397
Motor Vehicle Expenses - licenses	11,538	13,955
Repair & Maintenance - Office Building	33,972	84,867
Printing and Stationery	128,132	844,783
Communication Expenses	701,700	690,017
Office Rentals	437,879	495,967
Subscription Professions	-	79,530
Security Expenses	261,464	669,078
Travel & Accommodation	112,858	128,184
Workshops-Seminars	81,617	169,398
	4,154,778	**5,904,832**

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)
for the year ended 31 December 2022

18. Property Plant and Equipment

2022	ZMW	ZMW	ZMW	ZMW	ZMW
	Opening Balance	Additions	Disposal	Depreciation	Total
Land and Buildings	44,916	2,408,000	-	24,764	2,428,152
Furniture and Fittings	21,308	-	-	10,868	10,440
Motor Vehicles	-	-	-	0	0
Office Equipment	18,464	-	-	5,881	12,583
Computer Equipment	437,364	417,054	-	35,671	818,747
Other Property, Plant and Equipment	-	-	-	-	0
Capital Work in Progress	683	-	-	-	683
Total	**522,735**	**2,825,054**	**-**	**77,184**	**3,270,605**

2021	ZMW	ZMW	ZMW	ZMW	ZMW
	Opening Balance	Additions	Disposal	Depreciation	Total
Land and Buildings	-	45,600.00	-	684	44,916
Furniture and Fittings	28,411	3,999.98	-	11,103	21,308
Motor Vehicles	-	-	-	-	-
Office Equipment	19	23,523.72	-	5,079	18,464
Computer Equipment	15,342	468,593.40	-	46,571	437,365
Other Property, Plant and Equipment	-	-	-	-	-
Capital Work in Progress	683	-	-	-	683
Total	**44,455**	**541,717**	**-**	**63,437**	**522,735**

19. Finance Costs

	2022	2021
	ZMW	ZMW
Interest on Motor vehicle loan	24	3,308
	24	**3,308**

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 2022

Notes to the Financial Statements (continued)
for the year ended 31 December 2022

	2022	2021
20. Receivables	**ZMW**	**ZMW**
Staff Imprest	500,715	45,540
Staff Advances	134,763	198,894
Staff Personal Loan	-	66,535
Car Loans	-	12,914
Salaries Control - Loan Recoveries	-	3,338
Other Receivables	-	15,606
	635,478	**342,827**
21. Inventory		
General Inventory	**210,196**	**219,197**
22. Prepayments, Short Term Investments		
Prepayments Fuel	44,000	44,400
Fuel & Oils-Gen Set	500	1,500
Fuel & Oils-BaB 529	3,000	2,001
Fuel & Oils-ABR 9346	8,002	-
Software Licences and Support	-	3,000
Prepaid Rent	3,000	-
Total	**58,502**	**50,901**
23. Cash and Cash Equivalents		
Zanaco Account	7,534,580	1,414,585
Petty Cash	-	6,386
Finance Account	94,341	37,791
Luapula Province	-	36
Northwestern Province	35	-
Southern Province	1,001	1,001
Western Province	193	193
Muchinga Province	35	35
Total	**7,630,185**	**2,355,940**
24. Capital Grant - Land	**2,408,000**	-

Citizens Economic Empowerment Commission
Financial Statements for the year ended 31st December 2022

Notes to the Financial Statements (continued)

for the year ended 31 December 2022

	2022 ZMW	2021 ZMW
25. Accumulated Deficit		
At 1 January	(31,591,539)	(25,116,621)
Surplus/(Deficit) for the Year	3,701,986	(6,474,918)
At 31 December	**(27,889,553)**	**(31,591,539)**
26. Trade and Other Payables		
ZRA Liability	660,585	660,585
NAPSA Liability	960,741	960,741
Salaries Control - Net Salaries	5,072	-
Salaries Control - PAYE	9,278,238	15,287,499
ZRA Withholding Tax	-	13,723
Salaries Control - National Health Insurance	12,828	-
Provisions - Leave Pay Provision	499,649	865,156
Accounts Payables - Audit Fees	-	137,500
Provisions - Gratuity	3,477,085	7,323,488
Accounts Payables	1,499,171	2,790,017
Other Payables	20,893,151	7,044,430
Totals	**37,286,520**	**35,083,139**
27. Cash Generated from Operations		
Surplus/(Deficit) for the year	3,701,986	(6,474,918)
Adjustment for:		
Depreciation and ammortisation	77,184	63,439
Changes in working capital:		
Inventories	9,001	41,730
Other Payables/Receivables	(292,651)	86,654
Prepayments, short term investments	(7,601)	(49,200)
Other payables	2,203,380	6,770,931
Total	**5,691,299**	**438,636**

Citizens Economic Empowerment Commission

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Printed by Shorthorn Printers Limited