



Zambia Institute of Advanced
Legal Education

ANNUAL REPORT

2019



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A centre of excellence in law practice education



Zambia Institute of Advanced
Legal Education

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The precursor to the Zambia Institute of Advanced Legal Education (hereinafter referred to as “ZIALE” or “the Institute”) was the Law Practice Institute (LPI) established in 1968. The LPI was set up to provide basic training in the essentials of legal practice to postgraduate law students leading to the admission of qualifying students as legal practitioners. The Institute was re-established by an Act of Parliament in 1996 to be a body corporate.

Under the new Zambia Institute of Advanced Legal Education Act No. 10 of 1996 (hereinafter referred to as “the Act”), Chapter 49 of the Laws of Zambia, the functions were widened to provide national, regional and international post-graduate legal studies, and training in Legislative Drafting as well as other courses (Section 4(1)). The flagship programme is the Legal Practitioners’ Qualifying Examination (LPQE) Course, which is meant for university law graduates wishing to be admitted to the Zambian Bar. In addition to the LPQE and Legislative Drafting courses, the Institute is mandated to offer training programmes as outlined in Section 4(2) of the Act.





On behalf of the Ministry of Justice and indeed on my own behalf. I would like to express my gratitude to his Excellency the President of the Republic of Zambia, Mr. Edgar Chagwa Lungu, the ZIALE cOUNCIL, management and staff, different stakeholders and members of the public for the support rendered to the Zambia Institute of Advanced Legal Education during the year under review."

FOREWORD

The Zambia Institute of Advanced Legal Education (hereinafter referred to as "ZIALE" or "the Institute") is mandated with the responsibility of providing national, regional and international post-graduate legal studies, and training in Legislative Drafting as well as other courses (Section 4(1)). The Annual Report covers the period from 1st January 2019 to 31st December 2019.

The mandate of the Zambia Institute of Advanced Legal Education is discharged through the various Council committees namely

- a. Finance and Administration Committee
- b. Enrolments and Admissions Committee
- c. Board of Examiners
- d. Audit Committee
- e. Procurement Committee

The report provides an assessment of the performance of the Zambia Institute of Advanced Legal Education, the progress made as well challenges faced while implementing the various programmes and activates. The report further highlights the strategic objectives set by the Zambia Institute of advanced Legal Education for the period 2019 to 2021. It also highlights the possible solutions to the challenges encountered in 2019.

On behalf of the Ministry of Justice and indeed on my own behalf, I would like to express my gratitude to His Excellency the President of the Republic of Zambia, Mr Edgar Chagwa Lungu, the ZIALE Council, Management and staff, different stakeholders and members of the public for the support rendered to the Zambia Institute of Advanced Legal Education during the year under review. I look forward to your continued support.

A handwritten signature in purple ink, appearing to read 'Given Lubinda', with a long horizontal stroke extending to the left.

Honourable Given Lubinda ,MP
MINISTER OF JUSTICE



ACKNOWLEDGEMENTS

The Zambia Institute of Advanced Legal Education in 2019 received technical and financial support from a number of cooperating Partners and Government. The Zambia Institute of Advanced Legal Education is accordingly indebted to the various organisations and stakeholders that provided valuable support that enhanced delivery of services, particularly in the essentials of legal practice to postgraduate law students leading to the admission of qualifying students as legal practitioners. The valuable support also enabled the Zambia Institute of Advanced Legal Education fulfill its mandate of providing national, regional and international post-graduate legal studies, and training in Legislative Drafting as well as other courses.

Special thanks and appreciation goes to the Minister of Justice Hon Given Lubinda, MP for ably steering the strategic and policy direction of the Institute. The timely interventions that often helped secure resources for the Zambia Institute of Advanced Legal Education. These resources went a long way in the operations of the Institute and enabled a conducive environment in the delivery of quality services to stakeholders. Finally, I am indebted to the ZIALE Council Members who executed their duties with exceptional excellence and all staff at the Zambia Institute of Advanced legal Education for their continued commitment, in particular for coordinating the preparation of this 2019 Annual report.

A handwritten signature in black ink, appearing to read 'Likando Kalaluka'.

LIKANDO KALALUKA, SC
ATTORNEY GENERAL AND CHAIPERSON OF THE COUNCIL OF ZIALE

Table of Contents

Contents

FOREWORD	2
ACKNOWLEDGEMENTS	3
EXECUTIVE SUMMARY	5
1.0 THE ZIALE COUNCIL	6
1.1 ESTABLISHMENT AND COMPOSITION	6
1.2 FUNCTIONS OF THE COUNCIL	7
1.3 COMMITTEES OF THE COUNCIL	8
1.4 COUNCIL AND COMMITTEE MEETINGS	9
1.5 THE DIRECTORATE	9
CHAPTER TWO	10
2.0 MANDATE AND FUNCTIONS OF ZIALE	10
2.1 INTRODUCTION	10
2.2 MANDATE	10
2.3 VISION STATEMENT	10
2.4 VALUE STATEMENT	11
2.5 MISSION STATEMENT	11
2.6 STRATEGIC OBJECTIVES – 2019 - 2021	11
3.0 HUMAN RESOURCES AND ADMINISTRATION UNIT	16
3.1 INTRODUCTION	16
3.2 OBJECTIVES	16
3.2.1 STAFFING	16
3.2.2 PROGRAMMES AND ACTIVITIES IMPLEMENTED	16
3.2.3 ACHIEVEMENTS	18
3.2.4 CHALLENGES	18
3.2.5 RECOMMENDATIONS	19
4. ACCOUNTS UNIT	19
4.1 INTRODUCTION	19
4.2 OBJECTIVES	19
4.2.1 STAFFING	19
4.2.2 ACTIVITIES	19
4.2.3 BUDGET IMPLEMENTATION AND EXECUTION	20
4.2.4 ACTIVITIES IMPLEMENTED	20
5 INTERNAL AUDIT UNIT	21
5.1 INTRODUCTION	21
5.2 OBJECTIVES	21
5.2.1 STAFFING	21
5.2.2 PROGRAMMES AND ACTIVITIES IMPLEMENTED	21
5.2.3 ACHIEVEMENTS	22
5.2.4 CHALLENGES	23
5.2.5 RECOMMENDATIONS	23
6 PROGRAMS AND PLANING UNIT	23
6.1 INTRODUCTION	23
6.2 OBJECTIVES	24
6.2.1 STAFFING	24
6.2.2 PROGRAMMES AND ACTIVITIES IMPLEMENTED	24
6.2.3 ACHIEVEMENTS	26
6.2.4 CHALLENGES	27
6.2.5 RECOMMENDATIONS	27
7 PROCUREMENT UNIT	27
7.1 INTRODUCTION	27
7.2 OBJECTIVES	27
7.2.1 STAFFING	27
7.2.2 PROGRAMMES AND ACTIVITIES IMPLEMENTED	28
7.2.3 ACHIEVEMENTS	28
7.2.4 CHALLENGES	28
7.2.5 RECOMMENDATIONS	29
8. EXAMINATIONS AND ACCREDITATION UNIT	29
8.1 INTRODUCTION	29
8.2 OBJECTIVES	29
8.2.1 STAFFING	30
8.2.2 PROGRAMMES AND ACTIVITIES IMPLEMENTED	30
8.2.3 ACHIEVEMENTS	31
8.2.4 CHALLENGES	31
8.2.5 RECOMMENDATIONS	31
9. INFORMATION TECHNOLOGY/LIBRARY UNIT	32
9.1 INTRODUCTION	32
9.2 OBJECTIVES	32
9.2.1 STAFFING	33
9.2.2 PROGRAMMES AND ACTIVITIES IMPLEMENTED	33
9.2.3 ACHIEVEMENTS	34
9.2.4 CHALLENGES	34
9.2.5 RECOMMENDATIONS	35
10 CHALLENGES, RECOMMENDATION AND CONCLUSION	36

CHAPTER ONE

1.0 THE ZIALE COUNCIL

1.1 ESTABLISHMENT AND COMPOSITION

The Act establishes the Council and outlines its functions and composition in Sections 4 and 5 respectively. In terms of Section 5(1), the Council consists of the following members:

- a. the Attorney-General, with the Solicitor-General as an alternate member;
- b. a judge nominated by the Chief Justice;
- c. the Director of Public Prosecutions;
- d. the Permanent Secretary responsible for administration in the Ministry responsible for justice;
- e. a representative of the Attorney-General with expertise in legislative drafting;
- f. a representative of the Law Association of Zambia;
- g. a representative of the Zambia Institute of Chartered Accountants;
- h. a representative of the department of the Clerk of the National Assembly;
- i. a dean and one senior lecturer from the Law School of a public university, nominated by the Minister responsible for education;
- j. a dean and one senior lecturer from the Law School of a private university, nominated by the Minister responsible for education;
- k. a magistrate who is admitted as a legal practitioner under the Legal Practitioners Act, nominated by the Magistrates and Judges Association of Zambia;
- l. two legal practitioners appointed by the Minister; and,
- m. the Director, as ex-officio member.

All the members, other than the judge nominated by the Chief Justice, are appointed by the Minister of Justice. They serve on three-year renewable terms, except for the Attorney-General (and Solicitor-General), the Director of Public Prosecutions and the Permanent Secretary, who serve for as long as they hold their substantive full-time positions.

The Council is the highest decision-making body in the governance structure of ZIALE. It makes policy decisions and sets the strategic direction of the Institute and also provides oversight to the management of the Institute.

1.2 FUNCTIONS OF THE COUNCIL

Under Section 4(1) of the Act the Council is mandated to provide national, regional and Section 4(2) of the Act provides further functions of the Council as being to:

- a. Set minimum educational entry qualifications for persons seeking enrolment as students of the Institute;
- b. Provide minimum educational qualifications for students who wish to be admitted to the legal Bar;
- c. Provide training in Legislative Drafting;
- d. Keep a register of all enrolled students;
- e. Accredite law schools at private and public universities and set the criteria for accreditation;
- f. Approve qualifications of foreign students who wish to be enrolled at the Institute;
- g. Set and hold examinations for candidates for admission as legal practitioners;
- h. Provide post-graduate judicial training for Magistrates and Judges;
- i. Encourage international cooperation in post-graduate legal and legislative drafting studies provided by the Council;
- j. Provide such post-graduate courses of legal studies, set and hold examinations in such courses as the Council may think necessary;
- k. Prepare and publish a syllabus of courses of study essential for purposes of any examination set and held by the Council;
- l. Issue certificates to persons who are successful candidates in examinations conducted by the Council;
- m. Appoint the teaching staff of the Institute; and

1.3 COMMITTEES OF THE COUNCIL

The establishment of committees is provided for in Section 10(1) of the Act. Under that provision, the Council may establish such committees as it considers necessary and delegate to any committee such of its functions as it considers fit. In this regard, the Council has established the following Standing Committees:

- a. Finance and Administration Committee
- b. Enrolments and Admissions Committee
- c. Board of Examiners
- d. Audit Committee
- e. Procurement Committee
- f. Accreditation Committee

According to the Zambia Institute of Advanced Legal Education (Amendment) Act, No. 19 of 2009, another committee of the Council, the Accreditation Committee, is established under Section 10A. The composition of the Accreditation Committee consists of the following members:

- a. a judge nominated by the Chief Justice;
- b. a representative of the Law Association of Zambia;
- c. a representative of the Examinations Council of Zambia;
- d. a representative of the Ministry responsible for education;
- e. a dean and one senior lecturer from the Law School of a public university, nominated by the Minister responsible for education;
- f. a dean and one senior lecturer from the Law School of a private university, nominated by the Minister responsible for education;
- g. a representative of the National Institute for Public Administration;
- h. a representative for the Zambia Centre for Accountancy Studies; and,
- i. the Director, as ex-officio member.

The Accreditation Committee was not yet functional by the end of the year under review.

1.4 COUNCIL AND COMMITTEE MEETINGS

During the year under review the Council and its committees held forty (40) meetings to transact business on a range of the Institute's operations. Matters discussed included general administrative and financial oversight, enrolments, results and petitions.

1.5 THE DIRECTORATE

Under section 14(1) and (2) of the Act, the Council is empowered to appoint a Director and Deputy Director of the Institute. Section 15 empowers the Council to appoint its Secretary and other staff of the Institute. There were seven (7) administrative departments in the Directorate - Accounts and Stores, Human Resource & Administration, Procurement, Internal Audit, Information, Communication Technology & Library, Accreditation and Examinations and Programmes & Planning.

The Zambia Institute of Advanced Legal Education is headed by the Director who is the Chief Executive Officer. The Director is deputised by one Deputy Director. The Council Secretary is in charge of the legal matters pertaining to the Institute.

The Director oversees the heads of Accreditation and Examinations, Procurement, Internal Audit and Accounts and Stores Units. The Deputy Director on the other hand oversees Human Resource and Administration, Information. Communication Technology & Library and Programmes and Planning Units.

CHAPTER TWO

2.0 MANDATE AND FUNCTIONS OF ZIALE

2.1 INTRODUCTION

2.2 MANDATE

The Council of the Zambia Institute of Advanced Legal Education (ZIALE) is a body corporate with perpetual succession and a common seal established by Act No. 10 of 1996. It is a Law Practice Institute, operationalized in 1968. The Institute is mandated to provide national, regional and international legal post-graduate studies and training in legislative drafting.

The specific functions of the Institute are as follows:

- i. set minimum educational entry qualifications of persons seeking enrolment as students of the Institute;
- ii. provide minimum educational qualifications for students who wish to be admitted to the bar;
- iii. provide training in legislative drafting;
- iv. keep a register of all enrolled students;
- v. accredit law schools at private and public universities and set the criteria for accreditation;
- vi. approve qualifications for foreign students who wish to be enrolled at the Institute;
- vii. set and hold examinations for candidates for admission as legal practitioners;
- viii. provide post -graduate judicial training for magistrates and judges;
- ix. encourage international co-operation in post-graduate legal and legislative drafting studies provided by the Council;
- (x) provide such post-graduate courses of legal studies and set and hold examinations in such courses as the council may think necessary;
- (xi) prepare and publish a syllabus of courses of study essential for purposes of any examination set and held by the Council; and
- (xii) issue certificates to persons who are successful candidates of examinations conducted by the Council.

2.3 VISION STATEMENT

A Centre of excellence in Law Practice Education.

2.4 VALUE STATEMENT

Professionalism

- We competently and ethically execute our duties.

Integrity

- We conduct ourselves honestly and truthfully in the execution of our duties.

Transparency

- We carry out our duties with clarity and openness.

Teamwork

- We cooperate with others beyond personal differences to achieve our goals

Accountability

- We take responsibility for our actions in the execution of duties

Innovation

- We are dynamic and creative in our approach to service delivery

2.5 MISSION STATEMENT

To realize the vision and achieve the strategic results, ZIALE commits itself to the following mission statement:

“To provide quality practical legal training”

Through this mission statement, ZIALE will develop innovative strategies to ensure that the Institute produces competent legal practitioners and non-legal professionals to the satisfaction of all stakeholders.

2.6 STRATEGIC OBJECTIVES – 2019 - 2021

Strategic Objective 1: Improve Lecture delivery and assessments management

For ZIALE to excel in practical legal training, it will improve lecture delivery by establishing and operationalising the Curriculum Development Committee, strengthening accreditation of law schools; and developing and implementing a tutorial programme.

These measures are aimed at improving the pass rate and the quality of legal practitioners and non-legal professionals.

In addition to improving lecture delivery, excellence in practical legal training will entail strengthening and implementing the policy and legislative frameworks and developing and implementing a complaint management system.

These interventions are aimed at reducing client and stakeholder complaints on assessment management.

Strategic Objective 2: Improve sources and management of financial resources

In addition to improving client and stakeholder management, operational excellence will be attained by improving sources and management of financial resources. This entails developing and implementing a resource mobilisation strategy, strengthening the planning, budgetary and monitoring system and adherence to the procurement legal framework as well as strengthening internal controls and risk management systems.

These measures are aimed at increasing financial resources and attaining cost effectiveness.

Strategic Objective 3: Improve Operational Systems and stakeholder relationships

Attaining Operational Excellence will entail improving client and stakeholder management. In this regard, the Institute will develop and implement a stakeholder engagement strategy and a Service Delivery Charter. These interventions are aimed at increasing stakeholder support and creating a positive corporate image and increasing stakeholder support.

Further, operational excellence will entail improving the operational systems of ZIALE by developing automated and integrated operational systems, developing and implementing a Service Delivery Charter and an Institutional Service Agreement.

These strategies are aimed at increasing efficiency and effectiveness in service delivery.

Strategic Objective 4: Enhance Support and Technical staff

Enhancing human capital and the work culture will also be critical in attaining operational excellence.

ZIALE will therefore take the following measures:

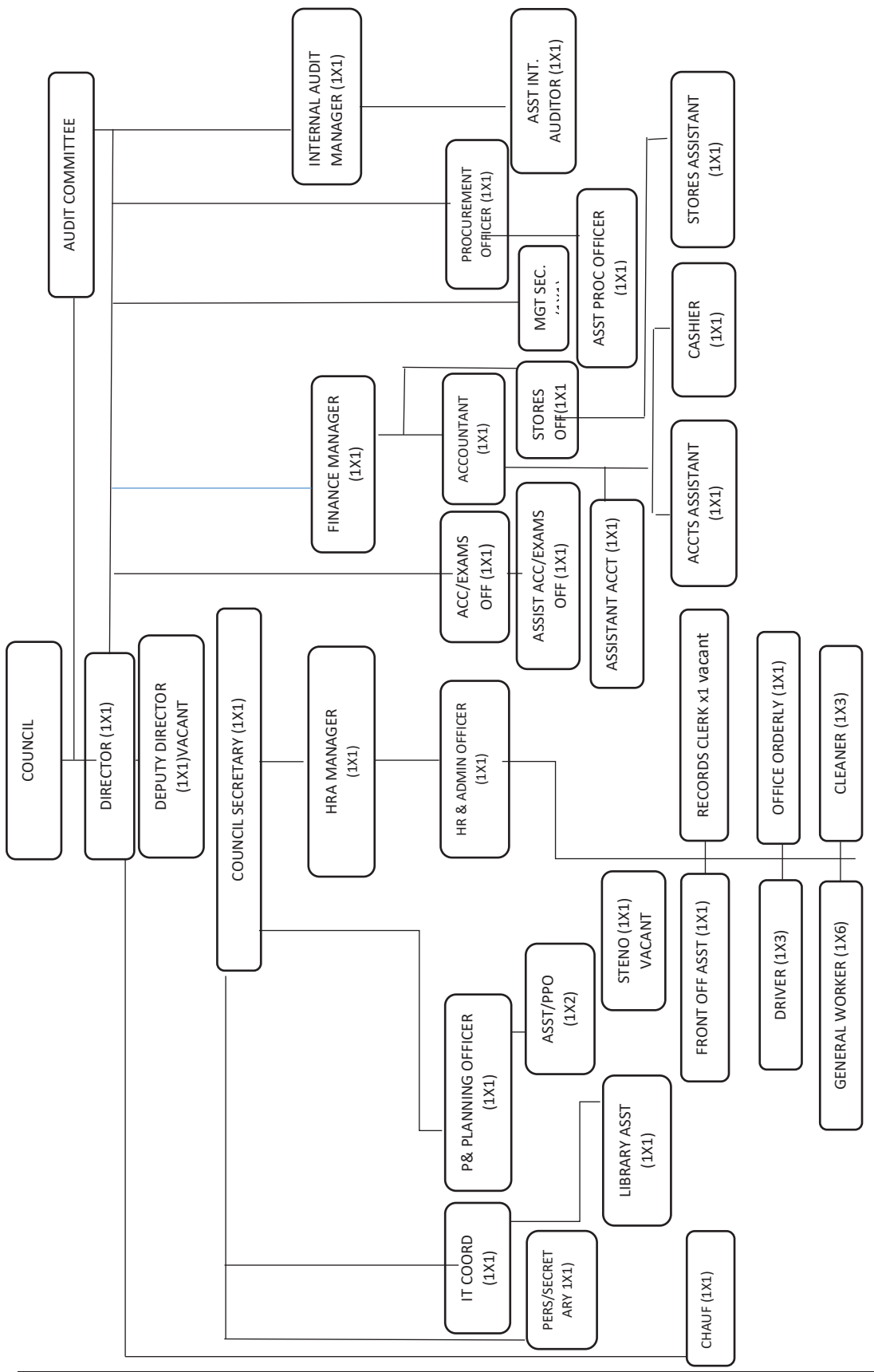
- i. develop and implement a monitoring and evaluation framework;
- ii. strengthen and implement the Performance Management System;
- iii. develop and implement a capacity building programme;
- iv. review and operationalise the organisational structure;
- v. develop and implement a rewards performance system;
- vi. develop and implement a work culture remodelling programme;
- vii. develop and implement a Code of Ethics;
- viii. strengthen the Disciplinary Code; and
- ix. develop grievances procedure Code.

These interventions are aimed at improving the work culture and institutional performance.

Strategic Objective 5: Improve Institutional Infrastructure

Operational excellence will also require improving the institutional infrastructure. This will also entail developing and implementing an Infrastructure Development Plan.

This intervention is aimed at improving the teaching and learning environment.



SCALE	NO
ZIALE 1	01
ZIALE 2	01
ZIALE 3	01
ZIALE 4	03
ZIALE 5	00
ZIALE 6	06
ZIALE 7	07
ZIALE 8	04
ZIALE 9	06
ZIALE 10	04
ZIALE 11	09
TOTAL	42

CHAPTER THREE

3.0 HUMAN RESOURCES AND ADMINISTRATION UNIT

3.1 INTRODUCTION

The Human Resource and Administration Unit is instrumental in providing labour law compliance, industrial relations, staff welfare and overall management of the Institute's human resource and general office administration.

The Unit is also coordinates and manages the following functions;

- (i) Strategic Management of Human Resource
- (ii) Monitoring and reporting on Strategic Plan implementation
- (iii) Trainings and Capacity Building
- (iv) Office Administration and Maintenance
- (v) Commemoration of national events
- (vi) Logistics and Transport Management

3.2 OBJECTIVES

To manage and develop human resources in order to improve organisational performance and capacity for efficient and effective service delivery; and

To provide logistical and administrative support in order to enhance human resource operations for the Zambia Institute of Advanced Legal Education.

3.2.1 STAFFING

The establishment of the unit of Human Resource and Administration had a total of seventeen (17) positions in 2019, fifteen (15) filled positions and two (2) vacant positions.

The Unit is headed by a Manager at Salary Scale ZIALE 04 and is assisted by one (1) Officer at Salary Scale ZIALE 06. The Unit is supported by a Front Office Assistant at Salary Scale ZIALE 9, two (2) Drivers at Salary Scale ZIALE 10, an Office Orderly at Salary Scale ZIALE 10, five (5) General Workers at Salary Scale ZIALE 11 and four (4) Cleaners at Salary Scale ZIALE 11.

3.2.2 PROGRAMMES AND ACTIVITIES IMPLEMENTED

During the period under review, the Human Resource and Administration undertook the following activities:

(i) Capacity Building

The Unit undertook various capacity building programmes for members of staff.

(ii) Recruitments

The following members of staff were recruited:

- (a) Mrs Esther Chabu Mubanga, Management Secretary, who commenced work on 1st July, 2019
- (b) Mr Dickeins Siywa, Assistant Accountant, who commenced work on 1st July, 2020
- (c) Mr. Specious Simon Mulenga, Assistant Programmes and Planning Officer, who commenced work on 14th October, 2019,
- (d) Mr. Godwin Mwitumwa, Assistant Accreditation and Examinations Officer, who commenced work on 1st November, 2019 and;
- (e) Mrs Mary Nyirenda Zulu, Stores Officer, who commenced work on 1st November, 2019.

(iii) Events

The Unit successfully coordinated and participated in the following major events in the 2019;

- (a) International Women's Day
- (b) Labour Day
- (c) Staff Retreat

(iv) Transport

During the period under review, the Institute maintained a fleet of nine (9) vehicles and one (1) tractor which were kept in serviceable condition, licensed and insured comprehensively as shown in the table below:

Table 1: Institute's Fleet as at 31st December 2019

S/N	Description	Reg. No.	Condition/Year of Registration	Remarks
1	Toyota Fortuner: Director's personal-to-holder.	BAF 2498	New/2017	Runner
2	Toyota Hilux, D/Cab: Council Secretary's personal-to-holder.	BAE 6901	New/2017	Runner
3.	Toyota Hilux, D/Cab: Pool Vehicle	ABK 6093	New/2018	Runner
4.	Mitsubishi Triton, D/Cab: Pool	BAL 9144	New/2019	Runner
5	Toyota Corolla: Pool Vehicle assigned to Director's office	ABV 9458	Runner/2010	Fair Condition
6	Chevrolet Aveo: Pool vehicle	ABZ 9529	Runner/2011	Fair Condition (earmarked for sale)
7	Toyota Hiace Minibus	ALF 3976	Runner/2012	Fair Condition
8	Toyota Hilux Van	ALE 1076	Runner/2012	Fair Condition
9	Hino Truck	ALF 6098	Runner/2012	Runner
10	John Deere Tractor	ALL 6165	Runner/2012	Runner

3.2.3 ACHIEVEMENTS

The Human Resource and Administration Unit successfully implemented the following activities;

- (a) Review of the Disciplinary & Grievances Procedures Code
- (b) Review of the Terms and Conditions of Service
- (c) Review of salaries
- (d) Procurement of one (1) additional pool vehicle
- (e) Staff training and development
- (f) Revised the Performance Management Form and implemented bi-annual performance reviews

3.2.4 CHALLENGES

- (a) Inadequate funding
- (b) Inadequate office Space
- (c) Lack of a Human Resource Management Software
- (d) Lack of staff to manage the Institute's records

3.2.5 RECOMMENDATIONS

- (a) Engage the Ministry of Finance Budget Office on the need to revise budget ceiling upwards.
- (b) Expedite the construction and renovations of Silverrest and Andrew Mwenya Road, respectively, for more office space.

4. ACCOUNTS UNIT

4.1 INTRODUCTION

The Accounts department is part of the Zambia Institute of Advanced Legal Education that manages its finances. The business functions of the department typically includes planning, organizing, accounting and controlling the Zambia Institute of Advanced Legal Education (ZIALE) finances. The finance department also usually produces the company's financial statements.

4.2 OBJECTIVES

4.2.1 STAFFING

The Unit is headed by a Finance Manager at Salary Scale (ZIALE 04). The has other (4) four officers (1) one Accountant at salary Scale (ZIALE 06), (1) one Assistant Accountant (ZIALE 8), (1) one Cashier and Accounts Assistant both at ZIALE 9, a Stores Officer (ZIALE 7) and a Stores Assistant at salary scale (ZIALE 09).

4.2.2 ACTIVITIES

4.2.2.1 Funding Overview

During the year under review, the Institute continued to rely for most of its income on monthly grants for the Government. Other sources of income included tuition fees, sale of lawyers' garments, library use and other small miscellaneous activities such as photocopying of documents, particularly for students.

4.4.2.2 GRZ Grant

During the year under review, the Institute received K3,350,270.00 as Government grants against an approved amount of K3,350,275.00 thus recording no variance.

4.4.2.3 Internally Generated Funds

The Institute managed to raise K10,837,704.00 during the year under review, compared to K9,157,162.00 raised in the year ended 31 December, 2017 recording an increase of 18% in internally generated funds.

The details for the financial statements for the year 2019 are shown in the Appendix .

4.2.3 BUDGET IMPLEMENTATION AND EXECUTION

Budget execution is the process established to carry out the programs for which funds were appropriated. Administering offices, operating budget and sub allocation holders, and fund administrators execute the budget through the signing of contracts, projects orders, work requests, and other funding documents.

4.2.4 ACTIVITIES IMPLEMENTED

The Accounts Unit facilitated the implementation of the following activities.

SUPPLY AND DELIVERY OF 90 ADDITIONAL COLLAPSIBLE TABLES FOR THE EXMINATION HALL.

The Unit facilitated the procurement of 90 additional collapsible tables from the International Market.

PROCUREMENT OF 121 ADDITIONAL POLYSHELL CHAIRS FOR THE EXAMINATION HALL

The Unit facilitated the Institute to procure one hundred and twenty-one (121) additional Polyshell chairs for the Examination Hall, from Northern Tower Enterprise at a cost of Eighteen Thousand, One Hundred and Fifty Kwacha (K18, 150.00).

RE-PAINTING OF THE EXAMINATION HALL FLOOR

The Institute repainted the Examination Hall's floor during the period under review.

PROCUREMENT OF LAWYERS' GARMENTS

The Institute procured ten (10) Ghanaian wigs, ten (10) Ghanaian gowns, ten (10) local ladies bibs and ten (10) local men's bands at a cost of Fifty Three Thousand, Five Hundred Kwacha (K53, 500.00). Further the Institute procured thirty (30) Zambian gowns from Stella Fashions.

5 INTERNAL AUDIT UNIT

5.1 INTRODUCTION

The Internal Audit Unit helps Zambia Institute of Advanced Legal Education (ZIALE) accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The Unit also does the following:

- Objectively review an organization's business processes
- Evaluate the efficacy of risk management procedures that are currently in place
- Protect against fraud and theft of the organization's assets
- Ensure that the organization is complying with relevant laws and statutes
- Make recommendations on how to improve internal controls, risk and governance processes

5.2 OBJECTIVES

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

5.2.1 STAFFING

The Unit is headed by the Internal Audit Manager in Salary Scale ZIALE 4 who is assisted by an Assistant Internal Auditor in Salary Scale ZIALE 7.

5.2.2 PROGRAMMES AND ACTIVITIES IMPLEMENTED

The following fourteen activities were planned during the period under review

No.	Auditable units
	FIRST QUARTER
1	Exam Setting & Administration
2	Storage of information
3	Processing & reporting of results
4	Review of the assessment process
5	Administration of the accreditation process
	SECOND QUARTER
6	Procurement processes
7	Capital Expenditure
	THIRD QUARTER
8	Enrolment, registration, programing and planning-LPQE
9	Enrolment, registration, programing and planning-PROSECUTORS COURSE
10	Enrolment, registration, programing and planning-LEGISLATIVE DRAFTING
11	Enrolment, registration, programing and planning -OTHER SHORT COURSES
	FOURTH QUARTER
12	Operational Expenditure
13	Corporate Governance review
14	ICT processes

(ii) Consulting Services

Internal Auditing includes provision of consulting services such as counsel, advice, investigation, training and facilitation. For the period under review, the Unit facilitated the development of Risk Registers for operational and strategic risks. The Risk Registers were approved by Council in the Fourth Quarter of the period under review.

5.2.4 CHALLENGES

The Unit operated without the benefit of the audit software during the period under review.

5.2.5 RECOMMENDATIONS

The recommendation is that key modules of the software be procured and the existing data analytics module be activated.

6 PROGRAMS AND PLANING UNIT

6.1 INTRODUCTION

The Programmes and Planning Unit was established to co-ordinate the enrolment, registration, programming and planning support services in order to facilitate the smooth implementation of the Institute's mandate.

The Unit also coordinates and manages the following functions;

- (i) Facilitates timely, efficient and effective student registration and enrolment on the Legal Practitioners Qualifying Examination Course, Legislative Drafting Course and all training programmes;
- (ii) Co-ordinates timely verification of foreign degrees in Law for students;
- (iii) Creates and maintains up-to-date course schedules, catalogues and examinations schedules;
- (iv) Advises Institute's clients on academic matters;
- (v) Co-ordinates the timely planning, preparation and implementation of short-term post-graduate courses;
- (vi) Manages efficient use of classrooms, hired venues and teaching aids for all training programmes;
- (vii) Facilitates student study permits;
- (viii) Co-ordinates all planning activities of the Institute in line with approved strategic objectives;
- (ix) Co-ordinates the monitoring and evaluation activities of the Institute's programmes.
- (x) Co-ordinates the accreditation process of the Institute in line with the Institute's mandate;
- (xi) Manages liaison between students, lecturers and the Institute's Administration;
- (xii) Ensures the integrity, accuracy and security of all academic records and data of current and former students;
- (xiii) Ensures that Performance Management and Appraisals for subordinates are conducted in a timely manner;
- (xiv) Maintains and updates the ZIALE Students Roll in line with the Students Rules of the Legal Practitioners Act, Chapter 30 of the Laws of Zambia;
- (xv) Uploads and maintains student data on the Student Record Management System and undertakes data validation activities in order to ensure accuracy of data;
- (xvi) Manages student welfare for all training programmes; and
- (xvii) Creates and/ or updates unit policy or policies as directed
- (xviii) Manage the Marketing of Programmes for the Institute.

6.2 OBJECTIVES

- (i) To manage enrolment and registration in order to improve smooth implementation of the Institute's mandate.
- (ii) To provide the programmes and planning support services in order to enhance the implementation of the Institute mandate.

6.2.1 STAFFING

The Unit is headed by a Programmes and Planning officer at Salary Scale (ZIALE 06) and assisted by two Assistant Programmes and Planning Officers at (ZIALE 7).

6.2.2 PROGRAMMES AND ACTIVITIES IMPLEMENTED

- (i) Legal Practitioners Qualifying Examination

During the year under review, the Institute continued to run the Legal Practitioners Qualifying Examination (LPQE) course which had two intakes namely the LPQE pilot herein called the LPQE Second Stream which had 179 Students registered successfully with lectures which commenced on 3rd June, 2019. The October, 2019 Intake also commenced on 11th October, 2019 with two hundred and ninety four (294) students successfully registered.

Later in the year, the Programmes Unit advertised for applications for registration onto the Legal Practitioners' Qualifying Examination (LPQE) repeaters' revision classes on 12th August, 2019. A total of 312 applications were received by Friday, 27th September, 2019. The classes commenced on 7th October, 2019 recording a total of three hundred and fifteen (315) students registered and ran until 8th November, 2019 between 17:00hours and 19:15 hours as well as weekends.

- (ii) Post-Graduate Diploma in Legislative Drafting Course

During the period under review, the Institute Commenced the training for Legislative Drafting programme the Postgraduate Diploma in Legislative Drafting applications for the 2019 Intake. The Institute received a total of thirty eight (38) applications on the closing date of Friday 12th April, 2019. Thirty five completed the programme and graduated on 15th November, 2019. The students were employees of the following organisations;

- (a) Ministry of Justice
- (b) Zambia Revenue Authority
- (c) National Assembly of Zambia
- (d) Zambia Army
- (e) National Prosecution Authority
- (f) Ferd Jere and Company
- (g) Government of Botswana/Attorney General Chambers
- (h) Government of Tanzania/National Assembly of Tanzania
- (i) Pensions and Insurance Authority
- (j) Zambia Law Development Commission
- (k) Tutwa Ngulube and Company
- (l) Judiciary
- (m) Mwack Advocates
- (n) Immigration of Zambia
- (o) Zambia National Service
- (p) Shamwana and Company
- (q) Anti-Corruption Commission
- (r) Ministry of Tourism and Arts

(iii) CONTINUOUS PROFESSIONAL DEVELOPMENT COURSES

During the period under review, the Unit ran eight (8) successful Continuous Professional Development courses namely;

Course Name	Sessions
(a) Criminal Investigations and the Law	2
(b) Advanced Prosecutors Course	3
(c) Cyber Crime and Computer Forensics Course	2
(d) Advanced Human Rights and the Law Course	1

The Unit further commenced the development of five (5) Continuous Professional Development Courses to run in 2020 as follows;

- (a) Law Firm Management
- (b) Labour Law and Industrial Relations
- (c) Elections, Public order and the Law
- (d) Young Politicians and the Law
- (e) Local Authorities Administration and the Law

6.2.3 ACHIEVEMENTS

(i) The Institute successfully implemented the LPQE programme under a pilot project. The LPQE Second Stream was necessitated by the recommendations by Council for the lecturers to have more contact time with the students and incorporate a different mode of course delivery in the teaching and learning. This was also a milestone in implementing the Institute strategic objective number one of improving Lecture delivery and Assessments management in the 2019-2021 strategic plan.

(ii) The Institute successfully developed a continuous professional development course in Criminal Investigations and the Law. This Programme which runs for 10 Days had two Intakes in 2019. This was an achievement in line with the Institute strategic plan of Improving operational systems and stakeholder relationships by providing programmes that meet the needs of various stakeholders. The course attracted clients from both the public and private sectors.

6.2.4 CHALLENGES

- (i) Lack of sufficient space to conduct other programmes at the Institute.
- (ii) Lack of student a management system.

6.2.5 RECOMMENDATIONS

- (i) The need to expedite building plans at Rhodes Park campus and Silverest to include extra training facilities in view of the demand for training programmes at the Institute.
- (ii) The Students Records Management System should remain one of the Institute key priorities in view of the increased number of students.

7 PROCUREMENT UNIT

7.1 INTRODUCTION

The Procurement Unit is responsible for the management of the procuring entity's activities i.e. all procurement activities within its jurisdiction in accordance with the Public Procurement Act No. 12 of 2008, the Public Procurement Regulations of 2011 and the Zambia Public Procurement Authority (ZPPA) Circulars.

A procuring entity consists of the Controlling Officer, Procurement Committee, Procurement Unit and user departments.

7.2 OBJECTIVES

The objective of the Unit is to procure goods, services and works for the Institute in accordance with the fundamental principles which govern public procurement as prescribed by Public Procurement Act No. 12 of 2008, the Public Procurement Regulations of 2011 and the Zambia Public Procurement Authority (ZPPA) Circulars.

7.2.1 STAFFING

The Unit is headed by a Procurement Officer at Salary Scale (ZIALE 06) and assisted by the Assistant Procurement Office in Salary Scale ZIALE 08.

7.2.2 PROGRAMMES AND ACTIVITIES IMPLEMENTED

- (i) The Institute procured a pool vehicle i.e. Mitisubishi Triton 4 x 2 Double Cab Pick-up from Southern Cross Motors Limited at a cost of ZMW402, 800.00 VAT Inclusive.
- (ii) The Institute also procured valuation services to value the Library books from Consortium Properties Limited at a cost of ZMW51, 504.00 VAT Inclusive.
- (iii) The Institute procured a 40 feet storage container from Ufudu Zambia Limited at a cost of ZMW130, 500.00 Vat Inclusive.
- (iv) The Institute procured the UK Lawyers' Garments from Graduation Attire Limited at a total cost of GBP6, 052.50.
- (v) The Institute procured one (1) Hi-Tech Printer from MFI Document Solutions Limited for the office of the Director and Chief Executive Officer of ZIALE to enhance the efficiency and effectiveness in printing the Legal Practitioners' Qualifying Examination (LPQE) Course examination question papers. There were also other two (2) printers procured from the same supplier for the Human Resource and Administration and the Programmes and Planning Departments. The total cost was ZMW253, 244.00 VAT Inclusive.
- (vi) The Institute also procured Security Services covering all three (3) premises i.e. Silverest Campus in Chongwe, Roma Guest House and the Andrew Mwenya Campus for a period of twelve (12) months from CSI Risk Investments Limited – Cyber Guard at a total cost of ZMW238, 032.00.

7.2.3 ACHIEVEMENTS

- (i) The Unit coordinated very well with suppliers to ensure proper product selection and supply chain.
- (ii) The Institute's Annual Procurement Plan for the year 2019 was uploaded on the Zambia Public Procurement Authority (ZPPA) e-Government Procurement (e-GP) System.

7.2.4 CHALLENGES

- (i) Providing unclear specifications and requirements from end users
- (ii) Unrealistic expected lead times from end users
- (iii) Dynamic market changes during procurement proceedings resulting into varying the Institute's Budget

To also accredit Legal Education Institutions in order to ensure compliance to set standards and statutory provisions.

8.2.1 STAFFING

The Unit is headed by an Examinations and Accreditation Officer at Salary Scale (ZIALE 06) and is assisted by an Assistant Examinations and Accreditation Officer at Salary Scale ZIALE 7.

8.2.2 PROGRAMMES AND ACTIVITIES IMPLEMENTED

(i) Legal Practitioners Qualifying Examination

During the year under review, the Council of the Zambia Institute of Advanced Legal Education conducted two (2) examinations namely, Legal Practitioners Qualifying Examination (LPQE) – 2019 Final Examinations and LPQE – 2019 Repeaters' Examinations. During the same period, one hundred and ninety-nine (199) students passed the examinations and were recommended to the Chief Justice of the Republic of Zambia to be Called to the Zambia Bar in April and November 2019 respectively.

(ii) 2019 Final Examination Results

The Council of ZIALE, on Wednesday 16th October, 2019, approved LPQE Course results for the 2019 Final Examination which were conducted from Tuesday 6th August to Tuesday 20th August 2019. A total number of three hundred and fifty-five (355) Candidates attempted the Final Examination, of these one hundred and ninety (190) were male and one hundred and sixty five (165) female. Five (5) candidates had Complete Passes. This represented 1.4% of candidates who cleared the examination at first attempt.

Further, a total of one hundred and seventy-six (176) Candidates had Incomplete Passes (passed 4-9 Heads/Subjects) which was 49.6% of the total candidates that attempted the LPQE Course. While one hundred and seventy-two (172) Candidates, which represented 48.5%, had completely failed the examination as they did not meet the threshold of 4 Heads in line with Rule 23(4) of the Legal Practitioners Act Chapter 30 Student Rules of the Laws of Zambia.

(ii) Employ more staff in order to achieve the Institute's mandate.

9. INFORMATION TECHNOLOGY/LIBRARY UNIT

9.1 INTRODUCTION

The Information Technology Unit was created in 2018 and it was merged the Library unit. The IT/Library Unit helps Zambia Institute of Advanced Legal Education (ZIALE) accomplish its objectives by bringing a competitive edge over businesses processes, in order to meet the ever increasing demand for information technology services at ZIALE.

The Unit also does the following:

- i. Desktop Support
- ii. Helpdesk
- iii. Systems Engineering
- iv. Network Engineering
- v. Application Management
- vi. System Administration
- vii. Network Administration
- viii. Project Management
- ix. IT Management
- x. Planning
- xi. Purchasing
- xii. Database Administration
- xiii. Lifecycle Management
- xiv. Computer/Network Security
- xv. Lending books
- xvi. Providing study space
- xvii. Providing study assistance
- xviii. Providing copying/scanning assistance
- xix. Providing newspapers/ magazines to read free
- xx. Providing databases of journal articles

9.2 OBJECTIVES

The Unit is responsible for providing strategic technology direction in order to help internal processes and procedures and adopt new information technologies to improve business and IT operations.

9.2.1 STAFFING

The Unit is headed by an IT Coordinator at Salary Scale (ZIALE 06) and is assisted by a Library Assistant at Salary Scale (ZIALE 09).

9.2.2 PROGRAMMES AND ACTIVITIES IMPLEMENTED

(i) IT Networks

During the period under review the IT/Library Unit oversaw the upgrade and maintenance of computer network systems within the Institute.

The Unit also expanded the Local Area Network in the pool office for the Assistant Programs & Planning Officers, Assistant Accreditation & Examinations Officer and Stores Officers.

(ii) ZIALE Website

During the period under review the IT/Library Unit created and managed the Institute's website which was hacked and was not in use for a long time.

(iii) Technical Support

With the ever growing IT and Library needs for both members of staff and students the Unit provided technical support to all the users.

(iv) Re - Evaluation of Books

The Unit facilitated re – evaluated all Library books.

(v) Procurement of Library Books

The Unit also procured fifty eight (58) books. The procured titles were as follows:

- (i) Zambia Law Reports 2015 1 by 3 by 3 sets
- (ii) Zambia Law Reports 2016 1 by 3 by 3 sets
- (iii) Tort, Winfield & Jolowicz 19th Edition by Edwin Peel
- (iv) Gower's Principles of Company Law 10th Edition by Paul L.Davies
- (v) Charlsworth's Company Law 18th Edition by Stephen Girvin
- (vi) The Law of Evidence in Zambia : Cases & Materials by John Hatchard

9.2.3 ACHIEVEMENTS

Since the Unit was created in 2018, it embarked on three major activities that are integral to the formation of an IT/Library Unit:

Governance refers to the implementation of operational parameters for working units and individuals' use of IT systems, architecture, and networks. The governance of the master data is based on workflow processes that integrate business rules and subject matter domain expertise.

Infrastructure refers to the hardware components, the network, the circuitry, and all other equipment necessary to make an IT system function according to the established needs and system of the Institute.

Functionality is perhaps the most apparent task performed by the IT/Library Unit. It refers to creating and maintaining operational applications; developing, securing, and storing electronic data that belongs to the organization; and assisting in the use of software and data management to all functional areas of the organization.

The three major activities helped the Unit achieve most of its set objectives during the period under review.

9.2.4 CHALLENGES

- i. During the period under the review the Unit could not meet all helpdesk demands because of staffing levels
- ii. Security threats due to lack of a firewall.
- iii. Keeping users mobile and secure
- iv. Users bypassing the IT Unit by failing to adhere to the ICT policy.
- v. The Unit has only got one Officer who heads and does all the operational day to day activities.
- (v) Charlsworth's Company Law 18th Edition by Stephen Girvin
- (vi) The Law of Evidence in Zambia : Cases & Materials by John Hatchard

9.2.5 RECOMMENDATIONS

The Unit recommends that Management employ one more officer to meet the ever increasing demand for IT/Library services. The Unit also recommends that more allocation of funds so as to invest more in the IT Infrastructure and governance.

CHAPTER FOUR

10 CHALLENGES, RECOMMENDATION AND CONCLUSION

10.1 CHALLENGES

The Zambia Institute of Advanced of Legal environments are more complex, diverse, and demanding. The growing population of students has disadvantaged the Institute since it cannot accommodate all the student wishing to enroll due to the limited Infrastructure. Due to the merger resources and funding the Institute has in most cases operated below capacity because of inadequate funding.

10.2 RECOMMENDATIONS

In the views of the similar challenges faced by the various Units, the Zambia Institute of Advanced Legal Education recommends:

- I. Increased monthly funding from Government;
- II. Engage in partnerships with stakeholders and lobby for increased funding from donors;
- III. Urgent need to review the current organisational structure;
- IV. Embark on Infrastructure development project and collaborate with other private public partnerships
- V. Infrastructure development both at Silverrest and Andrew Mwenya road.

10.3 CONCLUSION

The During the year under review, Council enjoyed cordial working relations with a number of stakeholders, among the them was the Judiciary, the Law Association of Zambia and resources persons in various courses.

**ZAMBIA INSTITUTE OF ADVANCED LEGAL
EDUCATION**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2019

DRAFT

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

FINANCIAL STATEMENTS

for the year ended 31 December 2019

CONTENTS	PAGE
General information	1
Council's report on the financial statements	2 - 4
Statement of Council's responsibility for the annual financial statements	5 - 6
Independent auditor's report	7 - 10
Statement of profit or loss and other comprehensive income	11
Statement of changes in equity	12
Statement of financial position	13
Statement of cash flows	14
Notes to the financial statements	15 – 38
Detailed statement of profit or loss and other comprehensive income	Appendix

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

GENERAL INFORMATION

for the year ended 31 December 2019

Country of establishment	Zambia
Nature of business and principal activities	Provides basic training in the essentials of legal practice to post graduate law students leading to admission of successful students as legal practitioners to the Zambian Bar.
Ownership	The Government of the Republic of Zambia through the Ministry of Justice.
Institute Council	Mr. Likando Kalaluka, SC, with Mr. Abraham Mwansa SC as an alternate member Mrs. Lillian F Shawa-Siyuni, SC Mrs. Thandiwe Daka Oteng Mr. Andrew Nkunika Mrs. Bridgette N Muyenga Mrs. Cecilia Nsenduluka Mbewe Mrs. Fydes Hamaundu Mrs. Ann Malata-Ononuju – Ex official
Registered office	Andrew Mwenya Road Stand 36983, Rhodes Park Lusaka
Business address	Andrew Mwenya Road Stand 36983, Rhodes Park Lusaka
Bankers	Zambia National Commercial Bank Plc. Barclays Bank (Z) Limited Standard Chartered Bank (Z) Limited
Auditors	Altods Chartered Accountants Plot No 6077, Great East Road P O Box 37231 Lusaka
Council secretary	Mrs. Leah Ngulube

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

COUNCIL'S REPORT ON THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

Report of the Council

The Council submits its report together with the audited financial statements for the year ended 31 December 2019, which disclose the state of affairs of the Institute

Principal activity

Post graduate law students leading to admission of successful students as legal practitioners to the Zambian Bar. The functions of the Institute were expanded under the Zambia Institute of Advanced Legal Education Act, Chapter 49 of the Laws of Zambia to provide national, regional and international post-graduate legal studies and training in legislative drafting as well as other courses (section 4(1)).

In addition to LPQE and legislative drafting, the Institute is mandated to offer programmes as out lined in Section 4 (2) of the Act.

Business performance

	2019 K	2018 K
Revenue from tuition and other fees	14,330,612	12,571,800
Government grants	2,052,036	3,517,790
Other income	<u>1,622,046</u>	<u>1,641,137</u>
Total income	<u>18,004,694</u>	<u>17,730,727</u>
(Loss)/profit for the year	<u>(1,933,058)</u>	<u>1,673,482</u>

Health and safety and employee welfare

The Institute is committed to the promotion and maintenance of a healthy and safe work environment for its employees. The Institute values the health and safety of its employees and have put in place policies and regulations for employee protection.

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

COUNCIL'S REPORT ON THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

Corporate governance

The Institute's Council is the supreme body of the Institute which ensures that the Institution is run according to the Zambia Institute of Advanced legal Education Act, Chapter 49 of the laws of Zambia. To enable smooth implementation and review of programmes and activities, the following sub committees have been constituted.

i. Finance and administration committee

The finance and administration committee is a committee of the Council of the Zambia Institute of Advanced Legal Education which oversees the finance, administration and human resource functions of the Institute.

ii. Enrolments and admissions committee

The enrolments and admissions committee is a committee of the Council of the Zambia Institute of Advanced Legal Education. The mandate of the enrolment committee is to consider applications for enrolment onto the Legal Practitioners' Qualifying Examination (LPQE) course as well as examination petitions from students and make recommendations to Council.

iii. Audit committee

The audit committee is a committee of the Council of the Zambia Institute of Advanced Legal Education charged with oversight of financial reporting as well as related disclosures, internal controls, regulatory compliance and risk management functions.

iv. Board of examiners and accreditation committee

The board of examiners and accreditation committee is a committee of the Council of the Zambia Institute of Advanced Legal Education. The mandate of the board of examiners on the Legal Practitioners' Qualifying Examination (LPQE) course is to teach, examine, assess examinations and make recommendations to Council for approval; and also make recommendations on the review of the LPQE curriculum.

Auditors

The Institute's auditors Messrs Altods Chartered Accountants have expressed willingness to continue in office.

Annual financial statements

The annual financial statements on pages 11 to 38 have been approved by the Council.

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

COUNCIL'S REPORT ON THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

Council

The Council Members who held office at the end of the year are as shown on page 1.

Council Members

The Council meets quarterly to deliberate matters pertaining to the strategic direction, business development and overall resource allocation.

The Council currently comprises one executive and seven non-executive members.

Council Members' interest

Upon appointment, every Council Member is required to disclose their business interest to the Council and thereafter update the Council as changes occur. Council Members are also required to disclose interest in any contracts with the Institute which give rise to a conflict of interest.

Code of corporate practices and conduct

The Institute is committed to promoting the highest standards of ethical behavior amongst all its employees. All employees are required to maintain the highest ethical standards in ensuring that the Institute's business practices are conducted in a manner, which in all reasonable circumstances is above reproach.

Liquidity and interest rate risk

The objective is to ensure continuity of funding at a low cost and to avoid significant exposure to changes in interest rates. The Institute generally invests short-term.

Insurance

The Institute is currently insured on a catastrophe basis only with reputable local insurance companies based on advice received from independent brokers. Independent risk management reviews are undertaken periodically.

Council Chairperson

Director

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

STATEMENT OF COUNCIL'S RESPONSIBILITIES FOR THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2019

The Council is responsible for the preparing the financial statements in accordance with International Financial Reporting Standards (IFRS) as applicable.

The Council is required to prepare financial statements for each financial year that present fairly the financial position of the Institute and the financial performance and cash flows for that period. In preparing those financial statements, the Council is required to:

- Select suitable accounting policies and then apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable, insightful, comparable and understandable information;
- Provide additional disclosure required to enable users of financial information contained in the financial statements to understand the impact of certain transactions, other events and conditions on the Institute's financial position and financial performance.
- State that the Institute has complied with IFRS, subject to any material departures disclosed and explained in the financial statements.

The Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time, the financial position of the Institute and enable it to ensure that the financial statements comply with IFRS. It is also responsible for safeguarding the assets of the institution and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Having taken all the necessary steps and so far as the Council is aware, the Council confirms that to the best of its knowledge.

- The financial statements give a true and fair view of the assets, liabilities, financial position, the financial performance and cash flows of the Institute for the twelve months to 31 December 2019;
- At the date of this statement, there are reasonable grounds to believe that the Institute will be able to meet its obligations, including paying debts, as and when they fall due;
- The financial statements are drawn up in accordance with International Financial Reporting Standards as applicable to the business of the Institute
- There is no relevant accounting information on which the auditors are unaware, and the Council has taken all the steps they ought to have taken to make themselves aware of any relevant accounting information and to establish that the auditors are aware of that information;

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

STATEMENT OF COUNCIL’S RESPONSIBILITIES FOR THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2019

- There is reasonable certainty that the Institute has adequate resources to continue in operational existence for the foreseeable future and that it is reasonable to continue to adopt the ‘Going Concern’ basis and not the ‘Net Realisable Value’ basis in preparing the financial statements;
- That sufficient safeguards are in place to ensure the effective management and mitigation of significant risk facing the Institute.

This statement is made in accordance with a resolution of the Council on approving the attached financial statements on pages 11 to 38.

Council Chairperson

Director

DRAFT

Audit Report for the year ended 31 December 2019

To the Members of Zambia Institute of Advanced Legal Education (ZIALE)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zambia Institute of Advanced Legal Education set out on pages 11 to 38 which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Zambia Institute of Advanced Legal Education as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Zambia Institute of Advanced Legal Education Act, Chapter 49 of the Laws of Zambia..

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Institute in accordance with the ethical requirements that are relevant to our audit of the financial statements in Zambia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Key audit matters

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

Capital work in progress

While the Institute carries an amount of K3,021,022 in their books and there were no additions during the year under consideration these opening balances do not appear to be adequately supported.

Capital grants

Included in the financial statements are capital grants of K14,124,928. These grants should represent capital projects either as capital work in progress or completed projects. As at 31 December 2019 there were no completed projects. Capital grants therefore should equate to capital work in progress and cash/cash equivalents. We are unable to reconcile as there is no specific bank account to cater for capital grants.

Further it is expected that those charged with the governance of the Institution will obtain express authority from Government before capital grants can be utilised as operational funds or invested in financial instruments.

Prior year adjustments

A substantial number of adjustments/corrections have been passed to opening reserves culminating in a net credit adjustment of K1,053,261. These unsupported amounts require the authorisation by those charged with governance of the Institution.

Other information

Management is responsible for the 'Other Information'. The 'Other Information' comprises the report of the Council as well as the statement of the Council's responsibilities but does not include the financial statements and our Auditor's report thereon.

Our opinion on the financial statements does not cover the 'other information' and we do not express any form of assurance conclusion thereon. In connection with the financial statements, our responsibility is to read the 'Other Information' and in doing so, consider whether it is materially inconsistent with the financial and statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this 'other information', we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the council

As described on page 5, the council is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Zambia Institute of Advanced Legal Education Act. This responsibility includes; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatement 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.

Auditor's responsibility (Continued)

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal controls.
- ii. Obtain an understanding of the 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 organisation's internal controls.
- iii. Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- iv. 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 Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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 the internal controls that we identify during the audit.

As required by the Zambia Institute of Advanced Legal Education Act, we report to you, based on our audit, that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion proper books of accounts, other records and registers have been kept by the Institute, so far as appears from our examination of those books and registers; and
- (c) the Institute's statement of financial position and profit and loss account are in agreement with the books of account.

*Altods
Chartered Accountants*

*Henry C Nondo
Partner*

Practicing Certificate Number: AUD/F000136

*2021
Lusaka*

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2019

	Note	2019 K	2018 K
Income			
Revenue from tuition and other fees	5a	14,330,612	12,571,800
Government grants	5b	<u>2,052,036</u>	<u>3,517,790</u>
Total income		16,382,648	16,089,590
Cost of sales	6	<u>(5,153,563)</u>	<u>(3,406,788)</u>
Gross profit		11,229,085	12,682,802
Other income	7	<u>1,622,046</u>	<u>1,641,137</u>
		<u>12,851,131</u>	<u>14,323,939</u>
Administration expenses			
Administrative expenses		(3,686,208)	(2,639,345)
Depreciation		(969,546)	(1,375,002)
Employee costs	8	(9,824,757)	(7,820,483)
Bad debts provision		<u>(303,678)</u>	<u>(815,627)</u>
Total expenditure		<u>(14,784,189)</u>	<u>(12,650,457)</u>
(Loss)/profit for the year		(1,933,058)	1,673,482
Other comprehensive income			
Revaluation		<u>882,886</u>	<u>-</u>
Total comprehensive (loss)/income		<u>(1,050,172)</u>	<u>1,673,482</u>

The notes on pages 15 to 38 form part of these financial statements.

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

	Revaluatio n reserves K	Accumulated reserves K	Total K
At 1 January 2018	26,983,788	1,123,152	28,106,940
Effect of change in accounting policies (IFRS 9)	-	(293,980)	(293,980)
Effect of change in accounting policies (IFRS 15)	<u>-</u>	<u>(4,589,702)</u>	<u>(4,589,702)</u>
At 1 January 2018 as stated	26,983,788	(3,760,530)	23,223,258
Total comprehensive income	-	1,673,482	1,673,482
Transfer to reserves:			
- Amortisation of revaluation on buildings	(310,750)	310,750	-
- Amortisation of revaluation on books	(133,531)	133,531	(20,095)
- Adjustment	<u>-</u>	<u>(20,095)</u>	<u>(20,095)</u>
Balance at 31 December 2018	<u>26,539,507</u>	<u>(1,662,862)</u>	<u>24,876,645</u>
Balance at 1 January 2019	26,539,507	(1,662,862)	24,876,645
Prior year adjustment (i)	<u>-</u>	<u>1,053,261</u>	<u>1,053,261</u>
As restated	<u>26,539,507</u>	<u>(609,601)</u>	<u>25,929,906</u>
Total comprehensive loss	882,886	(1,933,058)	(1,050,172)
Amortisation of revaluation on building	(310,750)	310,750	-
Amortisation of revaluation on books	<u>(133,531)</u>	<u>133,531</u>	<u>-</u>
At 31 December 2019	<u>26,978,112</u>	<u>(2,098,378)</u>	<u>24,879,734</u>

- (i) The prior year adjustment represents the net amount of various adjustments to regularise and streamline the financial statements to enhance appropriate disclosures.

The notes on pages 15 to 38 form part of these financial statements.

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	Note	2019 K	2018 K
ASSETS			
Non-current assets			
Property, plant and equipment	10	<u>34,117,171</u>	<u>32,166,910</u>
Current assets			
Inventories	11	307,543	587,843
Trade and other receivables	12	2,358,398	2,123,735
Cash and cash equivalents	13	<u>10,676,538</u>	<u>9,271,390</u>
Total current assets		<u>13,342,479</u>	<u>11,982,968</u>
Total assets		<u>47,459,650</u>	<u>44,149,878</u>
EQUITY AND LIABILITIES			
Equity			
Revaluation reserves		26,978,112	26,539,507
Accumulated funds		<u>(2,098,378)</u>	<u>(1,662,862)</u>
Total equity		<u>24,879,734</u>	<u>24,876,645</u>
Non-current liabilities			
Capital grants	17	<u>14,124,928</u>	<u>12,570,945</u>
Current liabilities			
Trade and other payables	14	2,121,464	1,620,583
Deferred income	15	<u>6,333,524</u>	<u>5,081,706</u>
		<u>8,454,988</u>	<u>6,702,288</u>
Total liabilities		<u>22,579,916</u>	<u>19,273,233</u>
Total equity and liabilities		<u>47,459,650</u>	<u>44,149,878</u>

These financial statements were approved by the Council members onand signed on its behalf by:

Council Chairperson

Director

The notes on pages 15 to 38 form part of these financial statements.

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

STATEMENT OF CASH FLOWS
for the year ended 31 December 2019

	Note	2019 K	2018 K
Cash flows from operating activities			
(Loss)/profit for the year		(1,933,058)	1,673,482
Adjustments for			
Depreciation		969,546	1,375,002
Adjustment to depreciation		(705,458)	-
Interest received		(234,957)	(208,359)
Movements in working capital			
Decrease/(increase) in inventory		280,300	(268,865)
Decrease/(increase) in trade and other receivables		(234,663)	(263,462)
Increase in trade and other payables		500,881	78,821
Increase in deferred income		1,251,818	492,004
Prior year adjustment		<u>1,053,261</u>	<u>(36,633)</u>
Net cash flows from operating activities		<u>947,670</u>	<u>2,841,990</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(1,331,462)	(689,280)
Interest received		<u>234,957</u>	<u>208,359</u>
Net cash flows used in investing activities		<u>(1,096,505)</u>	<u>(480,921)</u>
Cash flows from financing activities			
Movement in capital grants	17	<u>1,553,983</u>	<u>221,998</u>
Net cash flows		1,405,148	2,583,067
Cash and cash equivalents at the start of the year		<u>9,271,390</u>	<u>6,688,323</u>
Cash and cash equivalents at end of year	13	<u>10,676,538</u>	<u>9,271,390</u>
Represented By:			
Cash at bank and at hand		10,654,066	7,999,917
Short term deposits		<u>22,472</u>	<u>1,271,472</u>
		<u>10,676,538</u>	<u>9,271,390</u>

The notes on pages 15 to 38 form part of these financial statements.

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

1. General information

The Zambia Institute of Advanced Legal Education's primary activities are to administer basic training in the essentials of Legal Practice to post graduate Law students leading to admission of successful students as Legal Practitioners to the Zambian Bar.

1.1 Basis of financial statements preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Institute's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.1.

2. Summary of significant accounting policies

2.1 Accounting estimates and judgments

The Institute's Council makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

a) Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Institute will continue in operational existence for the foreseeable future.

If the Institute were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the statement of financial position values of assets to their recoverable amounts and to reclassify non-current assets as current assets.

The ability of the Institute to continue as a going concern is dependent on a number of factors. One of these is that the Government of the Republic of Zambia will continue to provide funding to supplement the Institute's own efforts to sustain its operations.

b) Provisions

The provisions recorded in these financial statements are the best estimates of the consideration that will be required to settle present obligations at the statement of financial position date, taking into account the risk and uncertainty surrounding the obligations.

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

2. Summary of significant accounting policies (Continued)

2.1 Accounting estimates and judgments (Continued)

c) Residual values and useful lives of property, plant and equipment

Residual values and useful lives of buildings, books, furniture, equipment and vehicles are based on current estimates of the value of these assets at the end of their useful lives. The estimated residual values of these assets have been determined by management based on their knowledge of the industry.

d) Impairment of receivables (student and sundry receivables)

The adoption of IFRS 9 has fundamentally changed the Institute's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward looking expected credit loss (ECL) approach. IFRS 9 requires the Institute to recognise an allowance for ECLs for all financial assets not held at fair value through profit and loss and contract assets.

e) Fair value measurement and the valuation process

In determining the fair values of assets and liabilities, the Institute uses available market observable data. Where such data is unavailable, the Institute employs the use of financial models or independent third party valuers to perform the valuation or to provide inputs for the model.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:-

- ❖ Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ❖ Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- ❖ Level 3: inputs for the asset or liability that are noted based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

2. Summary of significant accounting policies (Continued)

2.2 Government grants

Government grants are recognised when there is a reasonable assurance that;

- The Institute will comply with conditions attached to them, and
- The grant 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.

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 value of the asset.

2.3 Property, plant and equipment

Items of property, plant and equipment are stated at cost.

An assessment is made by the Council at each reporting date whether there is any indication that the asset may have been impaired. If any such indication exists, the Council carries out a revaluation of the recoverable amount of the asset by independent valuers.

Expenditure on repairs or maintenance of property made to restore or maintain future economic benefits expected from the asset is recognised as an expense when incurred.

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

2. Summary of significant accounting policies

2.3 Property, plant and equipment (Continued)

Depreciation

Depreciation on property, plant and equipment is provided on a straight line basis to write off the gross book value less the expected residual value of the various assets over the period of their expected useful lives as follows:-

	Rate/annum
Buildings	2%
Computer and other equipment	20%
Furniture and fittings	15%
Motor vehicles	20%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of an asset at the date of disposal of the asset and is recognised in income statement.

Revaluation

Freehold and leasehold land are measured at market value based on periodic valuations and subsequent depreciation. Revaluations are performed with sufficient regularity to ensure that carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Increases in the carrying amount arising from revaluation are credited to other comprehensive income except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the statement of comprehensive income, in which case the increase is credited to income to the extent of the decrease previously expensed. Decreases that offset previous increases of the same asset are charged to other comprehensive income. Each year, the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the assets original cost is transferred from accumulated loss to the revaluation reserve.

2.4 Retirement benefit obligation

The Institute and its employees contribute to the National Pension Scheme Authority (NAPSA), which is a defined contribution scheme.

The estimated monetary liability for employees' accrued leave and gratuity at the statement of financial position date is recognised as an expense.

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

2. Summary of significant accounting policies

2.5 Revenue from contracts with customers

The Institute applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Identifying performance obligations.
- Determining the timing of satisfaction of the tuition fees and other services
- Principal versus agent considerations.

The Institute recognises revenue from the following major sources

- LPQE Application Fees
- LPQE Exemption Fees
- Verification of Foreign Qualifications
- Practical Advanced Prosecutors Course
- Legislative Drafting Course
- LPQE Tuition/Exam Fees
- LPQE Repeaters Exams Fees

Revenue is measured on the consideration to which the Institute expects to be entitled in a contract with customers and excludes amounts collected on behalf of third parties. The Institute is in the business of providing training to lawyers. Revenue from contracts with customers is recognised when control of the services transferred to the customer at an amount that reflects the consideration to which the Institute expects to be entitled in exchange for those services.

i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Institute performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

ii) Student receivables

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

iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Institute has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Institute transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Institute performs under the contract.

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

2. Summary of significant accounting policies

2.6 Cash and bank balances

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the average cost method. The cost of finished goods comprises the purchase cost, conversion costs and other costs incurred to bring the inventories to their present location and state (directly attributable costs). Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.8 Foreign currencies

The financial statements of the Institute are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the financial statements the results and financial position of the Institute are expressed in Zambian Kwacha ('K'), which is the functional currency and the presentation currency for the financial statements.

In preparing the financial statements of the Institute transactions in currencies other than the Institute's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences are recognised in the statement of comprehensive income in the year in which they arise.

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

2. Summary of significant accounting policies

2.9 Trade and other payables

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

2.10 Provisions

Provisions are recognised when the Institute has a present obligation (legal or constructive) as a result of a past event, it is probable that the Institute will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation its carrying amount is present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

3. New standards and amendments

3.1 The standards represent (a) new standards and amendments that are effective for the first time for periods commencing on or after 1 January 2019 (i.e. years ended 31 December 2019), and (b) forthcoming requirements, being standards and amendments that will become effective on or after 1 January 2020

(a) New standards and amendments – applicable 1 January 2019

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2019:

Title	Title Key requirements	Effective Date *
IFRS 16 <i>Leases</i>	<p>IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.</p> <p>The statement of profit or loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.</p> <p>Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.</p> <p>The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease.</p> <p>Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.</p> <p>No impact on the financial statements</p>	<p>1 January 2019</p> <p>Early adoption is permitted only if IFRS 15 is adopted at the same time</p>

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

3. New standards and amendments (continued)

3.1 The standards represent (a) new standards and amendments that are effective for the first time for periods commencing on or after 1 January 2019 (i.e. years ended 31 December 2019), and (b) forthcoming requirements, being standards and amendments that will become effective on or after 1 January 2020 (continued)

(a) New standards and amendments – applicable 1 January 2019 (continued)

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2019:

Title	Title Key requirements	Effective Date *
<p>Interpretation 23 <i>Uncertainty over Income Tax Treatments</i></p>	<p>The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:</p> <ul style="list-style-type: none"> • how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty • that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored • that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment • that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements. <p>While there are no new disclosure requirements, entities are reminded of the general requirement to provide information about judgements and estimates made in preparing the financial statements.</p> <p>No impact on the financial statements</p>	<p>1 January 2019</p>

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

3. New standards and amendments (continued)

3.1 The standards represent (a) new standards and amendments that are effective for the first time for periods commencing on or after 1 January 2019 (i.e. years ended 31 December 2019), and (b) forthcoming requirements, being standards and amendments that will become effective on or after 1 January 2020 (continued)

(a) New standards and amendments – applicable 1 January 2019 (continued)

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2019:

Title	Title Key requirements	Effective Date *
<i>Prepayment Features with Negative Compensation – Amendments to IFRS 9</i>	The narrow-scope amendments made to IFRS 9 <i>Financial Instruments</i> in October 2017 enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be ‘reasonable compensation for early termination of the contract’ and the asset must be held within a ‘held to collect’ business model.	1 January 2019
<i>Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28</i>	The amendment clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under IFRS 9 <i>Financial Instruments</i> before applying the loss allocation and impairment requirements in IAS 28 <i>Investments in Associates and Joint Ventures</i> . No impact on the financial statements	1 January 2019

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

3. New standards and amendments (continued)

3.1 The standards represent (a) new standards and amendments that are effective for the first time for periods commencing on or after 1 January 2019 (i.e. years ended 31 December 2019), and (b) forthcoming requirements, being standards and amendments that will become effective on or after 1 January 2020 (continued)

(a) New standards and amendments – applicable 1 January 2019 (continued)

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2019:

Title	Title Key requirements	Effective Date *
<p><i>Annual Improvements to IFRS Standards 2015-2017 Cycle</i></p>	<p>The following improvements were finalised in December 2017:</p> <ul style="list-style-type: none"> • IFRS 3 <i>Business Combinations</i> – clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. • IFRS 11 <i>Joint Arrangements</i> – clarified that the party obtaining joint Control of a business that is a joint operation should not remeasure its previously held interest in the joint operation. • IAS 12 <i>Disclosure of Interests in Other Entities</i> – clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. • IAS 23 <i>Borrowing Costs</i> – clarified that, if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings <p>No impact on the financial statements</p>	<p>1 January 2019</p>
<p><i>Plan Amendment, Curtailment or Settlement – Amendments to IAS 19</i></p>	<p>The amendments to IAS 19 <i>Employee Benefits</i> clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must :</p> <ul style="list-style-type: none"> • calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change • recognise any reduction in a surplus immediately in profit or loss, either as part of past service cost or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling separately recognise any changes in the asset ceiling through other comprehensive income 	<p>1 January 2019</p>

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

3. New standards and amendments (continued)

3.1 The standards represent (a) new standards and amendments that are effective for the first time for periods commencing on or after 1 January 2019 (i.e. years ended 31 December 2019), and (b) forthcoming requirements, being standards and amendments that will become effective on or after 1 January 2020 (continued)

(b) Forthcoming requirements

As at 31 May 2019, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2019.

Title	Title Key requirements	Effective Date *
IFRS 17 <i>Insurance Contracts</i>	<p>IFRS 17 was issued in May 2017 as replacement for IFRS 4 <i>Insurance Contracts</i>. It requires a current measurement model where estimates are re-measured in each reporting period. Contracts are measured using the building blocks of:</p> <ul style="list-style-type: none"> • discounted probability-weighted cash flows • an explicit risk adjustment, and • a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. <p>The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.</p> <p>An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.</p> <p>There is a modification of the general measurement model called the ‘variable fee approach’ for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity’s share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.</p> <p>The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.</p> <p>No impact on the financial statements</p>	1 January 2021 (likely to be extended to 1 January 2022)

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

3. New standards and amendments (continued)

3.1 The standards represent (a) new standards and amendments that are effective for the first time for periods commencing on or after 1 January 2019 (i.e. years ended 31 December 2019), and (b) forthcoming requirements, being standards and amendments that will become effective on or after 1 January 2020 (continued)

(b) Forthcoming requirements (continued)

As at 31 May 2019, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2019.

Title	Title Key requirements	Effective Date *
<i>Definition of Material – Amendments to IAS 1 and IAS 8</i>	<p>The IASB has made amendments to IAS 1 <i>Presentation of Financial Statements</i> and IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> which use a consistent definition of materiality throughout International Financial Reporting Standards and the <i>Conceptual Framework for Financial Reporting</i>, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.</p> <p>In particular, the amendments clarify:</p> <ul style="list-style-type: none"> • that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and • the meaning of ‘primary users of general purpose financial statements’ to whom those financial statements are directed, by defining them as ‘existing and potential investors, lenders and other creditors’ that must rely on general purpose financial statements for much of the financial information they need. 	1 January 2020
<i>Definition of a Business – Amendments to IFRS 3</i>	<p>The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term ‘outputs’ is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.</p> <p>The amendments will likely result in more acquisitions being accounted for as asset acquisitions.</p> <p>No impact on the financial statements</p>	1 January 2020

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

3. New standards and amendments (continued)

3.1 The standards represent (a) new standards and amendments that are effective for the first time for periods commencing on or after 1 January 2019 (i.e. years ended 31 December 2019), and (b) forthcoming requirements, being standards and amendments that will become effective on or after 1 January 2020 (continued)

(b). Forthcoming requirements (continued)

As at 31 May 2019, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2019.

Title	Title Key requirements	Effective Date *
<p>Revised <i>Conceptual Framework for Financial Reporting</i></p>	<p>The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:</p> <ul style="list-style-type: none"> • increasing the prominence of stewardship in the objective of financial reporting • reinstating prudence as a component of neutrality • defining a reporting entity, which may be a legal entity, or a portion of an entity • revising the definitions of an asset and a liability • removing the probability threshold for recognition and adding guidance on derecognition • adding guidance on different measurement basis, and • stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements. <p>No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework</p>	<p>1 January 2020</p>

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

3. New standards and amendments (continued)

3.1 The standards represent (a) new standards and amendments that are effective for the first time for periods commencing on or after 1 January 2019 (i.e. years ended 31 December 2019), and (b) forthcoming requirements, being standards and amendments that will become effective on or after 1 January 2020 (continued)

(b). Forthcoming requirements (continued)

As at 31 May 2019, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2019.

Title	Title Key requirements	Effective Date *
<i>Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28</i>	<p>The IASB has made limited scope amendments to IFRS 10 <i>Consolidated financial statements</i> and IAS 28 <i>Investments in associates and joint ventures</i>.</p> <p>The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a ‘business’ (as defined in IFRS 3 Business Combinations).</p> <p>Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor’s interests in the associate or joint venture. The amendments apply prospectively.</p> <p>** In December 2015 the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.</p> <p>No impact on the financial statements</p>	n/a **

* Applicable to reporting periods commencing on or after the given date

4. Risk management policies

The Institute’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Institute’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Institute’s financial performance. Risk management is carried out under policies approved by the Council.

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

4. Risk management policies (continued)

4.1 Market risk

a) Foreign exchange risk

The Institute rarely undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations are minimal. Exposures are primarily in respect to the Zambian Kwacha's fluctuations against the United States Dollar, which generally affects the prices of goods and services within the economic environment. Exchange rate exposures are managed within approved policy.

Foreign currency sensitivity

The following tables demonstrates the sensitivity to a reasonable change in USD exchange rates, with all other variables held constant. The impact on the Institute's profit is due to changes in the fair value of monetary assets.

Sensitivity analysis	Assets	Liabilities
Total foreign exposure in USD	2,075	-
Change in USD rate	+0.2	-
Effect on profit	415	-
Effect on equity	415	-

b) Fair value price risk

As the Institute has no publicly traded equity and commodity securities, the Institute's income and operating cash flows are independent of changes in market securities prices.

c) Cash flow and interest rate risk

As the Institute had no interest yielding financial instruments, the Institute's income and operating cash flows are substantially independent of changes in market securities' prices.

4.2 Credit risk

Credit risk is the risk of financial loss of the Institute if a counterparty to a financial instrument defaults on contractual obligations. The Institute is subject to credit risk through its trading and investing activities. The Institute's primary exposure to credit risk arises through its cash deposits, account receivables and other cash equivalents, the Institute evaluates counterparties for credit worthiness where credit risk arises and there are no credit ratings readily available.

The counterparties for investment securities and cash equivalents are Bank of Zambia (BOZ) and commercial banks licensed by the Bank of Zambia. The government securities are rated B by fitch.

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

4. Risk management policies (continued)

4.2 Credit risk (continued)

The Institute does not hold any collateral to cover its credit risk associated with accounts receivable in respect of staff loans and advances do not exceed the gratuity payable to employees. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amounts	
	2019	2018
	K	K
Student receivables	1,238,433	1,712,992
Legislative receivables	386,995	267,695
Prosecutors receivables	276,500	10,500
Other receivables	37,851	260,308
Staff loans and advances	1,281,740	431,683
Expected credit loss	<u>(863,121)</u>	<u>(559,443)</u>
	<u>2,358,398</u>	<u>2,123,735</u>
Deposits held with		
Barclays Bank – Project account	209,315	147,767
Barclays Bank – Forex account	154,786	2,075
Barclays Bank – Staff Loan Revolving Fund account	2,684	83,738
Barclays Bank – General Fund account	320,198	348,554
Barclays Bank – Golf Fundraising account	2,295,840	1,447,196
Zanaco - Silverest	1,668,836	296,260
Zanaco – Tuition account	6,002,359	5,673,443
Short term investments	682,472	2,022,472
Expected credit loss	<u>(660,000)</u>	<u>(751,000)</u>
	<u>10,676,490</u>	<u>9,270,505</u>
Total exposure	<u>13,034,888</u>	<u>11,394,240</u>

Impairment

The movement in the allowance for impairment for the Institute in respect of financial instruments during the year was as follows:-

	2019	2018
	K	K
Balance at 1 January	1,310,443	494,817
Increase in allowance	303,678	815,627
Bad debts recovery	<u>(91,000)</u>	-
Balance at 31 December	<u>1,523,121</u>	<u>1,310,443</u>

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

4. Risk management policies (continued)

4.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, management maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the liquidity reserve and cash and cash equivalents on the basis of expected cash flows.

Highlighted below are the Institute's financial liabilities that could have an impact on the liquidity position in the short term. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

i)	Due within a year	2019	2018
		K	K
	Trade and other payables	<u>2,121,464</u>	<u>1,620,583</u>
ii)	The Institute's financial assets are categorized as follows:		
	Financial assets	Trade and other receivables	Cash and cash equivalents
		K	K
	As at 31 December 2019	<u>2,358,398</u>	<u>10,676,538</u>
	As at 31 December 2018	<u>2,123,735</u>	<u>9,271,390</u>
iii)	Financial liabilities are categorized as liabilities. This class includes trade and other payables.		

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

5a. Revenue from tuition and other fees	2019	2018
	K	K
Total receipts	15,582,430	13,063,804
Deferred income (Note 15)	<u>(6,333,524)</u>	<u>(5,081,706)</u>
Revenue for the year	9,248,906	7,982,098
Revenue realised (Note 15)	<u>5,081,706</u>	<u>4,589,702</u>
Total revenue for the year	<u>14,330,612</u>	<u>12,571,800</u>

The Institute derives revenue from transfer of goods (garments) and services over time and at a point in time in the following lines;

The following are classified as at a point in time services	2019	2018
	K	K
LPQE Application fees	555,400	631,919
LPQE Exemption fees	-	500
Verification of Foreign Qualifications	<u>2,500</u>	<u>2,400</u>
	<u>557,900</u>	<u>634,819</u>

Classified as over time services as the payments are made in installments

LPQE application fees	595,300	405,250
Practical Advanced Prosecutors Course	398,000	935,500
Legislative Drafting Course	1,194,467	673,200
LPQE Tuition/Exam Fees	7,816,895	7,130,556
LPQE Repeaters Exam Fees	2,927,800	2,792,475
Other courses	<u>840,250</u>	<u>-</u>
	<u>13,772,712</u>	<u>11,936,981</u>
Total revenue for the year	<u>14,330,612</u>	<u>12,571,800</u>

5b. Government grants		
GRZ Grant Allocation	<u>2,052,036</u>	<u>3,517,790</u>

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

	2019	2018
	K	K
6. Cost of sales		
Advanced Prosecutors expenses	73,094	133,318
Advanced Prosecutors lecture fees	80,155	139,569
Courier, postage and papers	40,067	20,189
Invigilation fees	70,720	76,040
Legislative drafting expenses	70,660	58,643
Legislative drafting lecture fees	253,583	197,571
Library and secretarial expenses	84,415	30,491
LPQE Lecture fees	1,074,516	511,930
LPQE marking fees	2,142,454	2,164,662
LPQE Student expenses	858,974	64,926
LPQE Lecture workshops	19,300	-
Basic Human Rights and Law expenses	87,949	9,450
Cyber and Cyber Law	296,300	-
Other Human Rights	<u>1,376</u>	<u>-</u>
	<u>5,153,563</u>	<u>3,406,790</u>
7. Other income		
Sale of lawyers garments	70,760	434,610
Interest received	234,957	208,359
Sale of material	761,904	489,602
Petitions	196,030	219,864
Income from internet use	95,800	75,843
Income from photocopying services	53,414	58,311
Profit on disposal	65,800	-
Subscription fees	64,000	47,021
Other sources	<u>79,381</u>	<u>107,527</u>
	<u>1,622,046</u>	<u>1,641,137</u>
8. Employee costs		
Basic salary	3,711,010	3,278,530
Allowances and overtime	1,479,457	2,298,257
NAPSA	275,276	207,194
Gratuity paid	1,227,247	516,504
Leave commutation and travel benefits	1,928,617	376,236
Medical and funeral expenses	617,280	101,095
Staff office provisions	98,757	70,267
Staff training	456,590	238,869
Workers compensation	18,549	11,394
Terminal benefits	-	722,136
7 NHI	<u>11,974</u>	<u>-</u>
	<u>9,824,757</u>	<u>7,820,483</u>
9. Taxation		
The Institute is exempt from taxation in line with the Income Tax Act Cap 323.		

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

10. Property, plant and equipment
for the year ended 31 December 2019

Cost	Land and buildings K	Motor vehicles K	Office furniture and equipment K	Capital work in progress K	Library books K	Total K
At 1 January 2018	30,091,319	2,502,979	3,225,169	3,021,022	912,211	39,752,699
Additions	-	99,258	560,071	-	29,950	689,280
Cost at 31 December 2018	30,091,319	2,602,237	3,785,240	3,021,022	942,161	40,441,979
At 1 January 2019	30,091,319	2,602,237	3,785,240	3,021,022	942,161	40,441,979
Additions	8,588	799,834	481,101	-	41,939	1,331,462
Revaluation	-	-	-	-	882,886	882,886
At 31 December 2019	30,099,907	3,402,071	4,266,341	3,021,022	1,866,986	42,656,327
Depreciation						
At 1 January 2018	1,865,917	1,602,557	2,998,152	-	433,441	6,900,067
Charge for the year	601,826	311,494	322,730	-	138,952	1,375,002
At 31 December 2018	2,467,743	1,914,051	3,320,882	-	572,393	8,275,069
At 1 January 2019	2,467,743	1,914,051	3,320,882	-	572,393	8,275,069
Charge for the year	601,826	288,797	30,376	-	48,547	969,546
Adjustment	-	-	(705,459)	-	-	(705,459)
At 31 December 2019	3,069,569	2,202,848	2,645,799	-	620,940	8,539,156
Net book value						
At 31 December 2019	27,030,338	1,199,223	1,620,542	3,021,022	1,246,046	34,117,171
At 31 December 2018	27,623,576	688,186	464,358	3,021,022	369,768	32,166,910

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

11. Inventories	2019 K	2018 K
Gowns	<u>307,543</u>	<u>587,843</u>
12. Trade and other receivables		
For trade and other receivables, credit limits were not exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties. However, a provision for doubtful debts is made in these financial statements.		
	2019 K	2018 K
Student receivables	1,238,433	1,712,992
Staff receivables	1,281,740	431,683
Legislative receivables	386,995	267,695
Prosecutors receivables	276,500	10,500
Other receivables	<u>37,851</u>	<u>260,308</u>
	3,221,519	2,683,178
Expected credit losses	<u>(863,121)</u>	<u>(559,443)</u>
	<u>2,358,398</u>	<u>2,123,735</u>
13. Cash and cash equivalents		
i. Cash and bank		
Barclays Bank – Project account	209,315	147,767
Barclays Bank – Forex account	154,786	2,075
Barclays Bank – Staff loan revolving fund account	2,684	83,738
Barclays Bank – General fund account	320,198	348,554
Standard Chartered – Golf fundraising account	2,295,840	1,447,196
Zanaco – Silverest account	1,668,836	296,260
Zanaco – Tuition account	6,002,359	5,673,443
Petty cash	48	885
	<u>10,654,066</u>	<u>7,999,918</u>
ii. Short term investments		
Madison Unit Trust fund	22,472	22,472
Madison short term investments	<u>660,000</u>	<u>2,000,000</u>
	682,472	2,022,472
Expected credit losses	<u>(660,000)</u>	<u>(751,000)</u>
	<u>22,472</u>	<u>1,271,472</u>
Cash and cash equivalents	<u>10,676,538</u>	<u>9,271,390</u>

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

14. Trade and other payables	2019	2018
	K	K
Trade payables	508,263	138,173
Statutory payables	-	697,880
Audit fees	123,326	-
Other payables	-	184,993
Gratuity (Note 16)	940,693	525,843
Receipts control	(170,823)	14,880
Leave pay	720,005	-
Debtors transferred to creditors	<u>-</u>	<u>58,814</u>
	<u>2,121,464</u>	<u>1,620,583</u>
15. Deferred income		
Balance at 1 January	5,081,706	4,589,702
Provision for the year (Note 5)	6,333,524	5,081,706
Transfer to income (Note 5)	<u>(5,081,706)</u>	<u>(4,589,702)</u>
Balance at 31 December	<u>6,333,524</u>	<u>5,081,706</u>
Deferred income relate to payments received in advance from Legal Practitioners' Qualifying Examination (LPQE) students.		
16. Accruals and provisions	2019	2018
	K	K
	Gratuity and long service	Gratuity and long service
At the start of the year	525,843	903,645
Additional provisions	414,850	534,044
Utilised during the year	<u>-</u>	<u>(911,846)</u>
At the end of the year (Note 14)	<u>940,693</u>	<u>525,843</u>
17. Capital grants		
Balance at the start of the year	12,570,945	12,348,947
Received during the year	1,553,983	221,998
Transferred to income	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>14,124,928</u>	<u>12,570,945</u>

During the year the Institute received capital and operational grants from the Government of the Republic of Zambia.

ZAMBIA INSTITUTE OF ADVANCED LEGAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

18. Related party transactions

The following transactions were carried out with related parties.

i) Transactions with the principal controlling party (GRZ)

	2019	2018
	K	K
Operational grants received	2,052,036	3,517,790
Capital grants	<u>1,553,983</u>	<u>221,998</u>
Total	<u>3,606,019</u>	<u>3,739,787</u>

ii) The remuneration of key management and Council and Committee members during the year was as follows:-

	2019	2018
	K	K
Salary advances to key management personnel	70,000	148,000
Council and committee expenses	<u>487,497</u>	<u>467,306</u>
	<u>557,497</u>	<u>615,306</u>

19. Contingent liabilities and commitments

The Institute is involved in a legal case in the courts of law. The Institute's Legal Adviser and management consider the likelihood of the action against the Institute being successful as unlikely, and that the case will not result in material losses to the Institute.

20. Comparative figures

Prior year figures have been reclassified wherever necessary to allow for meaningful comparison.

21. Events after the reporting period

The Council Members are not aware of any matter or circumstance arising after the end of the financial year.

The Corona Virus outbreak, at the end of 2019 was concurrent to the 31 December 2019 year end.

Management has determined that the impact of the Corona Virus is not expected to result in any post year-end adjustments to these financial statements nor its going concern status.

Further, management has taken measures to ensure that events subsequent to the reporting date are monitored closely to determine any impact on the Institute's activities, or its assets or its liabilities.

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2019

	2019 K	2018 K
Income		
Revenue from tuition and other fees	14,330,612	12,571,800
Government grants	<u>2,052,036</u>	<u>3,517,790</u>
Total income	16,382,648	16,089,590
Cost of sales	<u>(5,153,563)</u>	<u>(3,406,788)</u>
Gross profit	11,229,085	12,682,802
Other income	<u>1,622,046</u>	<u>1,641,137</u>
	<u>12,851,131</u>	<u>14,323,939</u>
Administrative expenses		
Accounting and payroll packages	-	4,844
Advertising expenses	91,891	95,360
Audit expenses	-	1,396
Audit fees	110,200	94,934
Bad debts provision	303,678	815,627
Bank charges	102,678	132,117
Court fees	5,925	-
Communication and telephone expenses	207,035	221,394
Computer expenses	41,217	10,664
Consultancy expenses	713,026	288,932
Council and board of examiners allowances	487,497	467,306
Cleaning and small supplies expenses	145,386	119,382
Depreciation	969,546	1,375,002
Electricity and water bills	112,171	83,546
Employee costs	9,943,031	7,820,483
Exchange gain	(13,257)	-
General expenses	7,116	11,919
Insurance	82,589	120,263
Labour day expenses	-	31,603
Motor vehicle expenses	158,949	103,096
Printing and stationery	462,619	269,741
Repairs and maintenance	424,167	243,513
Rent and rates	27,687	29,130
Security expenses	244,686	207,406
Subscription fees	149,381	53,337
Staff uniforms	-	28,629
Transportation, courier and postage	<u>6,971</u>	<u>20,833</u>
	<u>14,784,189</u>	<u>12,650,457</u>
(Loss)/profit for the year	<u>(1,933,058)</u>	<u>1,673,482</u>

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