Industrial Development Corporation

DEEPENING AND SUPPORTING ZAMBIA'S INDUSTRIAL CAPACITY

2016 ANNUAL REPORT

GENERAL INFORMATION

REGISTERED NAME:
Industrial Development Corporation Limited

COMPANY REGISTRATION NUMBER:
119056

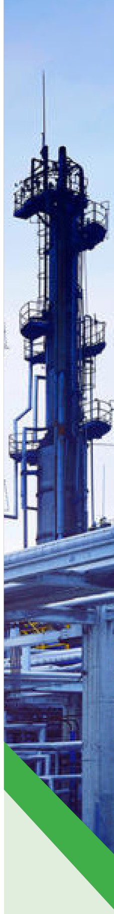
PHYSICAL ADDRESS:
3rd Floor, Mukuba Pension House
Dedan Kimathi Road
Lusaka, Zambia

POSTAL ADDRESS:
P.O Box 37232
Lusaka, ZAMBIA

TELEPHONE NUMBER:
+260 211 843567/8 +260 967 773007

EMAIL ADDRESS:
info@idc.co.zm

WEBSITE:
www.idc.co.zm



Vision Statement

To become Africa's best performing sovereign holding corporation and strategic investment partner.

Mission Statement

To maximise long term shareholder value in State Owned Enterprises and invest in key economic sectors to contribute to industrialisation and sustainable economic growth.

Goal Statement

To transform State Owned Enterprises towards commercial viability, contribute to industrialisation and job creation.

Value Statement

The IDC holds the following key values:

- **Professionalism**

  We uphold the highest standards of professionalism in the conduct of our business and expect the same of those we do business with.

- **Transparency**

  All our investments and business undertakings are consistent with the tenets of accountability in the use of public funds.

- **Integrity**

  In everything we do we are honest to ourselves, our shareholders and our stakeholders.

- **Distinction**

  We are committed to continuous learning, improvement and delivering excellent results.

- **Partnerships**

  The foundation of our approach to business and investment is to mutually benefit from our complementary strengths with our partners and team work.

STRATEGIC FOCUS

These strategic pillars shown in the diagram below ensure that the IDC remains focused on its core mandate to the satisfaction of its shareholders, partners and the public.

EMERGING INDUSTRIES	SOE TRANSFORMATION	STRATEGIC PARTNERSHIPS
New Sectors	Restructure	Joint Ventures
Regional Markets	Grow Shareholder value	Citizen Participation
Renewable Energy	Grow Strategic Value	Small and Medium Enterprises
Rural Industrialisation	Long term investments	Private Sector Support
		Long term investments

Contents

LIST OF ABBREVIATIONS

ARC	Audit and Risk Committee
BPC	Bangweulu Power Company
DPNW	Department of National Parks and Wildlife
EGP	Enel Green Power
ESIA	Environmental and Social Impact Assessment
FAC	Finance and Administration Committee
FINDECO	Financial Development Corporation
GDP	Gross Domestic Product
GRZ	Government of the Republic of Zambia
GSA	Government Support Agreement
IDC	Industrial Development Corporation Limited
IFC	International Finance Corporation
INDECO	Industrial Development Corporation
IPMC	Investment and Portfolio Management Committee
IPP	Independent Power Producer
LSMFEZ	Lusaka South Multi Facility Economic Zone
MCTI	Ministry of Commerce, Trade and Industry
MLGH	Ministry of Local Government and Housing
MOE	Ministry of Energy
MOF	Ministry of Finance
MOTA	Ministry of Tourism and Arts
MOU	Memorandum of Understanding
NOP	Net Operating Profit
NPC	Ngonye Power Company
PPA	Power Purchase Agreement
PS	Permanent Secretary
RFP	Request for Proposals
SHA	Shareholders Agreement
SOE	State Owned Enterprise
SPV	Special Purposes Vehicle
ST	Secretary to Treasury
ZDA	Zambia Development Agency
ZEMA	Zambia Environmental Management Agency
ZESCO	Zambia Electricity Supply Corporation
ZIMCO	Zambia Industrial and Mining Corporation Limited
ZRA	Zambia Revenue Authority

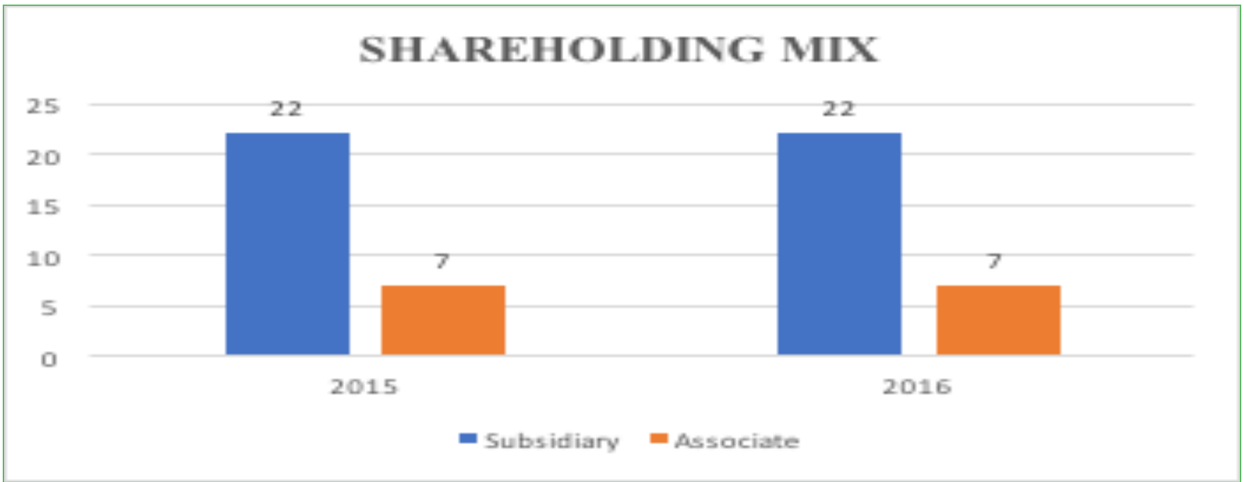
CHIEF EXECUTIVE OFFICER'S STATEMENT

2016 was a great year for IDC as we recorded positive performance on the portfolio and investment activities set out in 2015. This annual report provides a summary of the Corporation's key financial and operational results during the year.

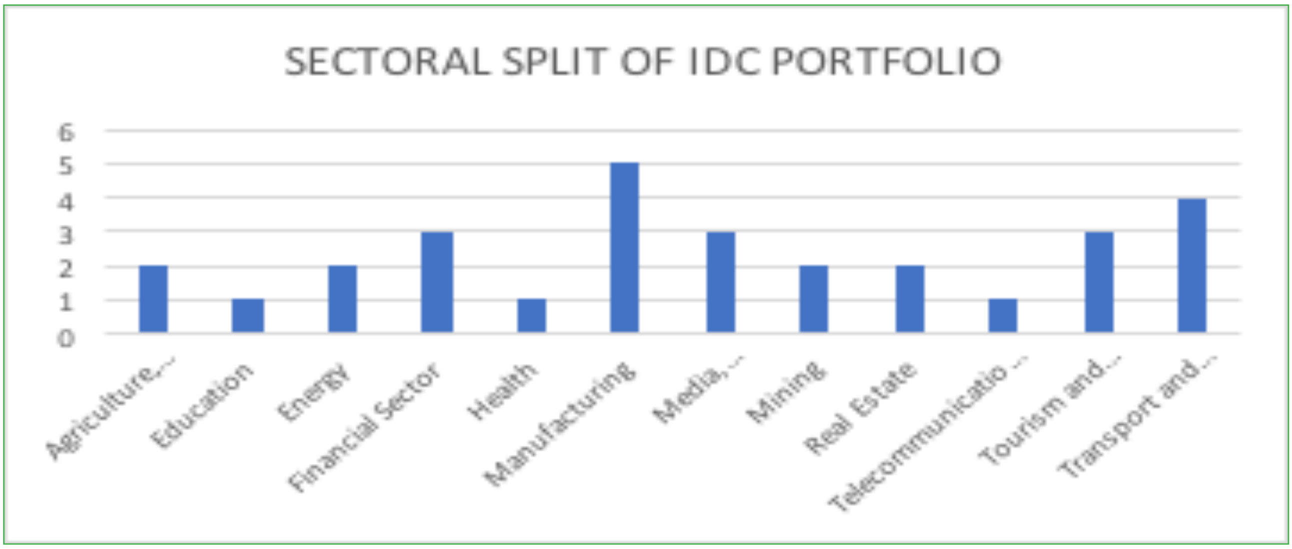
KEY PORTFOLIO HIGHLIGHTS

The number of companies in the portfolio remained the same during the year. No divestures from companies were made.

In terms of the shareholding mix, we have above 50% shareholding in 22 out of 29 companies in our portfolio. This translates into 75.86% of our portfolio companies being subsidiaries and 24.14% being associates.



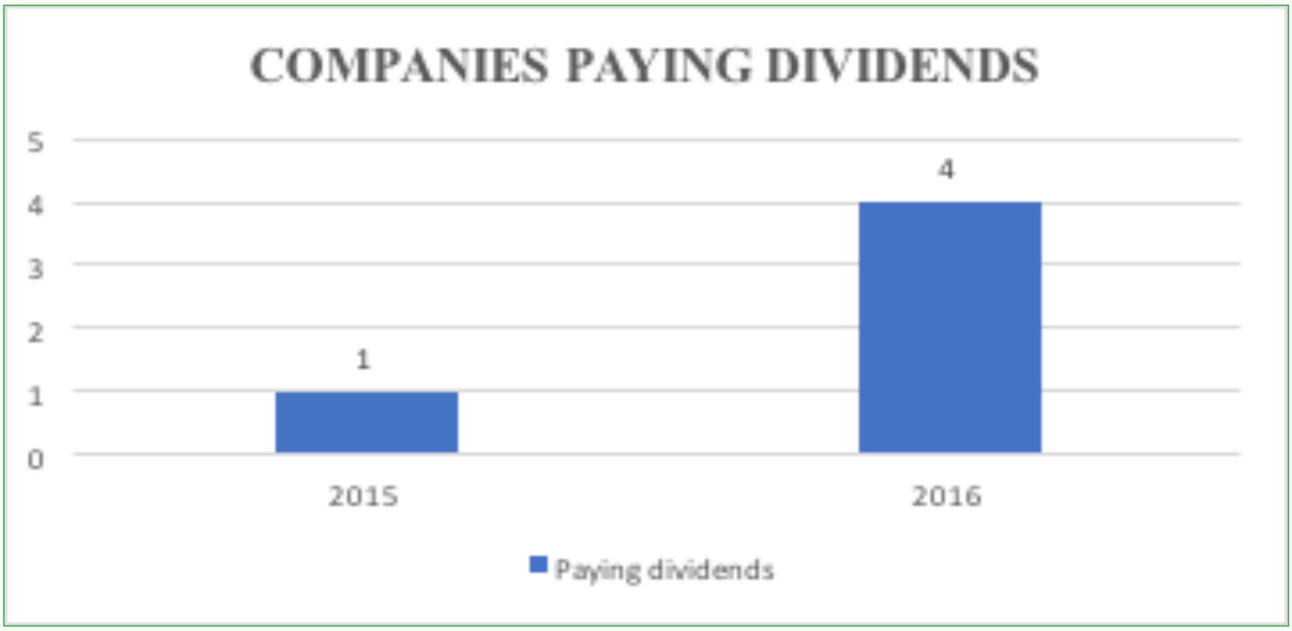
IDC investments are across 12 sectors. The financial sector includes both banking and non-banking financial services, for which the shareholding of our two insurance companies ZSIC Life and ZSIC General were held directly by ZSIC Holdings Limited, a direct subsidiary of the IDC.



Financial Performance

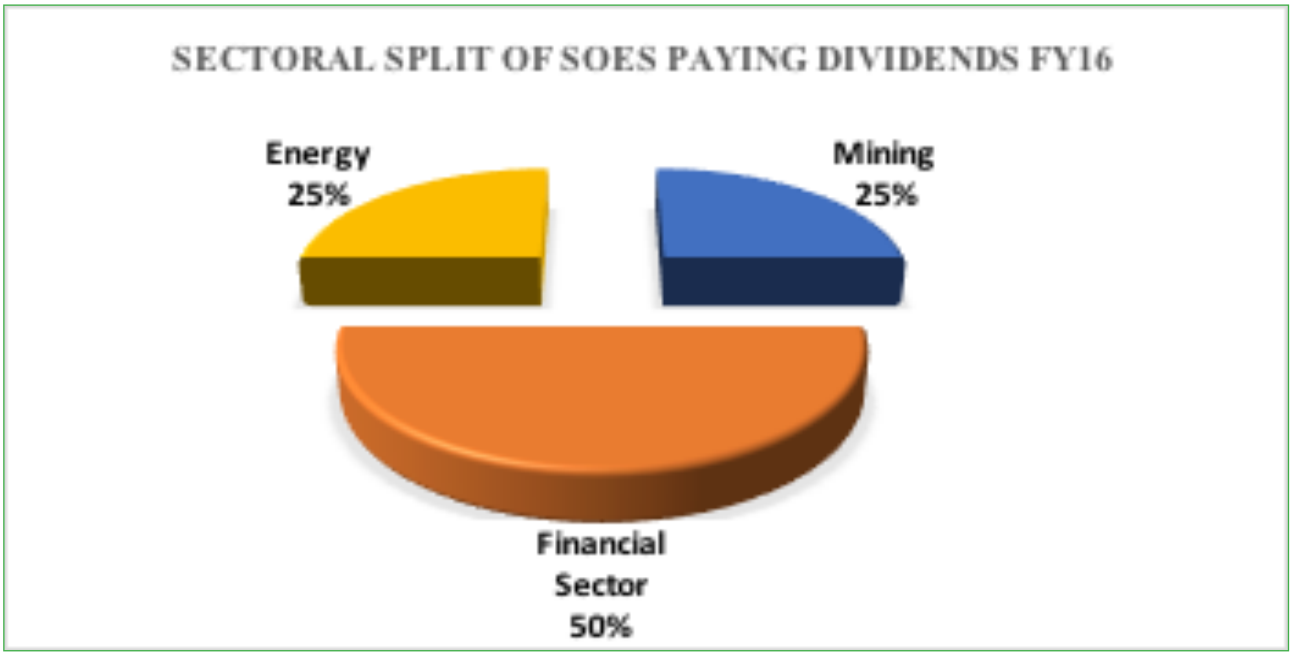
Total dividend income for 2016 was K95.2million from K43.46million in 2015. We saw growth in total revenues by this 119% and this is attributed to an increase in the number of subsidiaries and investee companies paying dividends. The number of companies paying dividends increased from one (1) in 2015 to 4 (four) in 2016.

A profit after tax of K39.99million was recorded in 2016, which represented an increase of 146% from K16.23m profit after tax in 2015. The increase was largely attributed to an increase in the number of companies that paid dividends when compared to prior year.



In terms of the sectoral split in 2016 companies that paid dividends, composed of two from the financial sector, one from the energy sector and the other from the mining sector. The mining sector paid the largest dividend which amounted to K51.3million. In the coming year, a dividend policy will be put in place to provide guidance on dividend declaration for the SOEs and help with predictability on the part of IDC.

Below is an analysis of the sectoral split of SOEs paying dividend:



The IDC Balance Sheet year on year grew mainly from the increase in retained earnings as a result of increased dividend income and lower cost structures. As at 31 December 2016, the total value of assets was K15.81 billion as compared to the previous year at K15.7 billion. The K59.39million increase was mainly attributed to the investments made on short term deposits as well as the capitalized project costs. The largest component of the total assets of the corporation are its investments in subsidiaries, which account for 91.67% of the total assets.

Operational performance

As a holding company, IDCs success is dependent on its investment assets and how they are managed. We have been reviewing the structure of the SOEs and will in 2017 commence the process of restructuring some of the companies which include the ZSIC Group. We will also be divesting from three of our associate investments that we consider are mature and where we do not see ourselves having much of a role now.

I wish to commend our employees who worked tirelessly during the year. As a first project being embarked on, we commenced the bidding process for our scaling solar project was completed. Two Special Purpose Vehicles (SPVs) namely; Bangweulu Power Company (BPC) and Ngonye Power Company (NPC) were incorporated with IDC holding 20% equity in each power plant. I must say that being the first project that we embarked on, its success will be measured by our ability to attain commercial and financial close and commence construction for supply of power into the National Grid. Let me take this opportunity to thank the Ministry of Finance (MoF), ZESCO, Energy Regulation Board (ERB), Zambia Development Agency (ZDA), Zambia Environmental Management Agency (ZEMA), Zambia Revenue Authority (ZRA), Ministry of Energy (MoE), Ministry of Local Government and Housing (MLGH), Lusaka South Multi Facility Economic Zone (LS-MFEZ), Department of National Parks and Wildlife under the Ministry of Tourism and Arts and other stakeholders that have been supporting us to ensure that this becomes a reality.

Key milestones achieved included execution of key project agreements such as the Government Support Agreement (GSA) by MoF, Power Purchase Agreement (PPA) and Shareholders Agreement (SHA).

Our country's drawback to increasing agricultural productivity has been the lack of mechanisation in the Agricultural sector. In response to the challenge, IDC management is happy to report that a memorandum of understanding (MoU) was signed with a Polish Company called URSUS S.A, a leading tractor manufacturer in Europe, on industrial and commercial co-operation for establishment of a tractor assembly plant and service centers across the country.

Re-alignment of Business Units

We have realigned our business units to ensure effectiveness in delivering on the IDC mandate. This has been consolidated by filling in some key positions and clearly separating the Business Development Department from the Investments Department to ensure effectiveness in how projects are appraised.

Our People

We believe our people are our biggest resource. It is our belief that an enterprise can have the best strategy and business model in the world, but if it doesn't have the hearts and minds of a dedicated workforce, none of it comes to realisation. For this reason, IDC employees continued to undergo training for purposes of learning best practices, benchmarking and career development. This included training in investment advisory and project management.

Although the transformation journey has not yet been completed, I am pleased with the early signs that am seeing in our corporation in terms of progress on intervention in SOEs and our pipeline projects.

Summary and Outlook for 2017

IDC will continue its growth trajectory towards the accomplishment of its mandate. Whilst we expect the challenges of economic conditions particularly to persist in 2017, we remain optimistic that it will also be filled with opportunities for the corporation to venture into new projects and to take vital steps in repositioning the SOEs under our portfolio.

In conclusion, I would like to express gratitude to our esteemed shareholder for their confidence, the Board of Directors for their strategic direction, all the staff for their effort, commitment and hard work, and all stakeholders for their support.

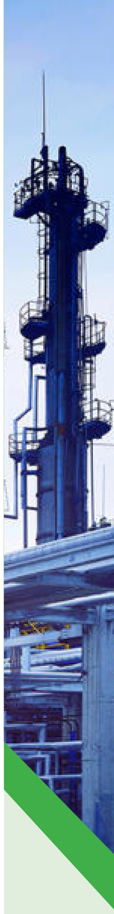
Mateyo C Kaluba

Group Chief Executive Officer

1. Companies under IDC Portfolio

In the year under review, IDC had the following subsidiaries and associates under its portfolio;

No.	NAME	SHARE HOLDING
1	AFROX ZAMBIA LIMITED	30%
2	ENGINEERING SERVICES CORPORATION	100%
3	INDENI PETROLEUM REFINERY LIMITED	100%
4	INDO-ZAMBIA BANK LIMITED	40%
5	KAGEM MINERALS LIMITED	25%
6	LUSAKA SOUTH MULTI-FACILITY ECONOMIC ZONE LIMITED	100%
7	LUSAKA TRUST HOSPITAL	50%
8	MEDICAL STORES LIMITED	100%
9	MPULUNGU HARBOUR CORPORATION LIMITED	100%
10	MUKUBA HOTEL LIMITED	100%
11	MULUNGUSHI INTERNATIONAL CONFERENCE CENTRE	100%
12	MULUNGUSHI VILLAGE COMPLEX LIMITED	100%
13	MUPEPETWE DEVELOPMENT COMPANY	100%
14	NANGA FARMS LIMITED	14.27%
15	NIEC SCHOOL OF BUSINESS TRUST	100%
16	NITROGEN CHEMICALS OF ZAMBIA LIMITED	100%
17	TIMES PRINTPAK ZAMBIA LIMITED	100%
18	ZAMBIA DAILY MAIL LIMITED	100%
19	ZAMBIA ELECTRICITY SUPPLY CORPORATION	100%
20	ZAMBIA FORESTRY AND FOREST INDUSTRIES COMPANY	100%
21	ZAMBIA INTERNATIONAL TRADE FAIR LIMITED	100%
22	ZAMBIA PRINTING COMPANY	100%
23	ZAMBIA RAILWAYS LIMITED	100%
24	ZSIC HOLDINGS LIMITED	100%
25	ZAMBIA-CHINA MULUNGUSHI TEXTILES LIMITED	33%
26	ZAMCAPITOL ENTERPRISES LIMITED	100%
27	ZAMTEL LIMITED	100%
28	ZANACO PLC	25%
29	ZCCM INVESTMENT HOLDINGS PLC	60.28%



REPORT OF THE DIRECTORS (CONTINUED)

2. Principal Activities

The Industrial Development Corporation (IDC) Limited is a State-Owned Enterprise (SOE) charged with the mandate to spearhead the Zambian Government's commercial investments agenda aimed at strengthening Zambia's industrial base and job creation. The IDC was incorporated in January 2014 and is wholly owned by the Government through the Minister of Finance pursuant to the Minister of Finance (Incorporation) Act Cap 349 of the Laws of Zambia.

IDC serves as an investment holding company for State-Owned Enterprises (SOEs) and is an active shareholder and investor with an existing portfolio that spans across a broad spectrum of sectors including agriculture, forestry, manufacturing, financial services, mining, energy, telecommunications, logistics, medical, education, tourism, real estate and media.

2.1 IDC's Dual Mandate

The IDC's mandate is as follows:

i. Provide oversight by serving as an active investment holding company for SOEs to achieve sustainability and profitability;

ii. Play a catalytic role in deepening and supporting Zambia's industrialisation capacity to support employment creation across the priority sectors of Manufacturing, Infrastructure, Agriculture and Tourism. The IDC plays this role through evaluation, pricing and lowering the investment risk profile by serving as co-investor alongside private sector investors.

3. Operational Performance

3.1 Investment Activity

3.1.1 Scaling Solar Project

During the period under review, a number of milestones were achieved under Round 1 of the Scaling Solar Programme for the development of two solar power plants of up to 50MW each.

A transparent and competitive bidding process resulted in the selection of Neoen First Solar of France and Enel Green Power (EGP) of Italy as winning bidders with tariffs of 6.02 US cents / kWh and 7.84 US cents / kWh, respectively. These were the lowest tariffs yielded in Sub-Saharan Africa. Subsequently, Special Purpose Vehicles (SPVs) namely, Bangweulu Power Company (BPC) and Ngonye Power Company (NPC) were incorporated with IDC holding 20% equity in each power plant.

Key milestones achieved included; execution of the GSA by GRZ, PPA by ZESCO and SHA between IDC and the bidders. Additionally, an Environmental and Social Impact Assessment (ESIA) and other licensing procedures for attainment of commercial close also commenced. It is expected that Commercial and Financial close will be achieved in the second quarter of 2017, after which construction of the solar plants will begin.

3.1.2 Tractor Assembly Plant

In a strategic move to mechanise the agriculture sector in Zambia, the IDC signed a memorandum of understanding (MoU) with a Polish Company called URSUS S.A that will lead to the establishment of a tractor assembly plant and service centers across the country. The plant is designed to supply the Southern Africa region and the total project cost of $100m will be financed through a Government to Government tied export credit facility. Project preparation and construction of the assembly plant will commence in 2017.

3.1.3 Recommissioning of the Zambia China Mulungushi Textiles Plant

IDC and Marubeni, a Japanese company, signed an MOU at the Tokyo International Conference for African Development (TICAD) VI Summit in Nairobi, Kenya held from 25th to 29th August 2016. The terms of reference of the MOU were primarily to complete a detailed Technical and Financial Feasibility Study for the modernisation of the textile plant in Kabwe. The feasibility study commenced in the last quarter of 2016 and will be completed in March 2017.

4. Portfolio Management

During the second quarter of 2016, the IDC conducted a situational analysis of SOEs under its portfolio to gain an understanding of their business models, financial performance and operations.

5. Human Capital

Our unique sources of competitive advantage include the skills, commitment, and professionalism of our people.

5.1 Staff Complement

During the year under review, the IDC continued to operate a lean structure with an total of 20 staff members.

Separations

During the same year under review, three senior executives separated with the company in November 2016.

Engagements

Mr. Mateyo Kaluba was appointed as Chief Executive Officer (CEO) in an acting capacity in November 2016. Additionally, six other staff were engaged in the Finance, Portfolio Management and Procurement Departments.

Staff Development and Training

IDC employees continued to undergo training for purposes of learning best practices, benchmarking and career development.

6. Record of attendance of the Sub-Board Committees

To ensure that the mandate of the Board is effectively discharged, the Board has established three sub-committees that provide the required leadership. The committees are chaired by a Board member.

6.1 Investments and Portfolio Management Committee

The Investments and Portfolio Management Committee is chaired by Fr. Leonard Chiti, an independent non-executive Director. Attendance of the meetings was as follows:

Name	27th Jul 2016	30th Aug 2016	2nd Sept 2016	27th Sept 2016	30th Sept 2016	10th Dec 2016
Fr. Leonard Chiti	✓	x	x	x	x	x
Mr. Robinson K Zulu	✓	✓	✓	✓	✓	✓
Mr. Geoffrey Sakulanda	✓	✓	✓	x	x	✓
Mr. Isaac Ngoma	✓	✓	✓	✓	✓	✓
Dr. Lawrence S. Sikutwa	x	✓	✓	✓	✓	✓
Mrs. Kayula Siame	✓	✓	x	x	x	✓

6.2 Finance and Administration Committee

The Finance and Administration Committee is chaired by Dr. Lawrence S. Sikutwa, an independent non-executive Director. Attendance of the meetings was as follows:

Name	16th Sep 2016	27th Sep 2016	10th Dec 2016
Dr. Lawrence S. Sikutwa	✓	✓	✓
Mr. Robinson K. Zulu	✓	✓	✓
Mr. Geoffrey Sakulanda	✓	x	✓
Mrs. Sylvia Banda	✓	x	✓
Mr. Fredson Yamba	x	x	x
Mr. David Kombe	✓	✓	x

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

Contents

REPORT OF THE DIRECTORS

In compliance with Division 8.3 of the Companies Act, the directors submit their report on the activities of the company for the year ended 31 December 2016.

1. Principal activities

The Industrial Development Corporation Limited (IDC) is a domestic development finance institution wholly owned by the Zambian Government. IDC's mandate is to play a catalyst role in deepening and supporting Zambia's industrialization capacity to support job creation and domestic wealth formation across key economic sectors. The IDC plays its role through evaluation, pricing and lowering the investment risk profile by serving as co-investor alongside private sector investors. IDC facilitates provision and raising of long term finance for projects. Simultaneously, IDC serves as an investment holding company for state-owned enterprises and new investments, on behalf of the Government of the Republic of Zambia (GRZ). IDC is not funded by the GRZ. Its sources of financing and revenue include dividend income from investee companies, equity disposals, bank borrowings and debt issuance in the capital market. Surpluses generated by the IDC will be reinvested to fund new projects or paid out to GRZ as dividends or paid into the proposed Sovereign Wealth Fund of Zambia.

2. The Company

The company was incorporated on 21 January 2014 and is domiciled in Zambia.

Business address	**Postal address**
3rd Floor, Mukuba Pension House	P O Box 37232
Dedan Kimathi Road	Lusaka
Lusaka, Zambia	**Zambia**

3. Share capital

The company is wholly owned by the Government of the Republic of Zambia. Details of the Company's authorised and issued share capital are included in note 15 to the financial statements.

4. Results

The company's results are as follows:

	2016	2015
	ZMW	ZMW
Revenue	95,219,407	43,466,500
Profit before taxation	61,933,726	24,971,461
Income tax charge	(21,934,489)	(8,742,827)
Profit for the year	39,999,237	16,228,634

5. Dividends

No interim dividend has been paid during the year under review (2015:K nil).

REPORT OF THE DIRECTORS (CONTINUED)

6. Directors and Secretary

The directors in office at the financial year end and at the date of this report were as follows:

- His Excellency, The President of the Republic of Zambia, Chairman of the IDC Board.
- Honourable Alexander Bwalya Chikwanda, Minister of Finance.
- Honourable Margaret Mwanakatwe, Minister of Commerce Trade and Industry.
- Honourable Given Lubinda, Minister of Agriculture.
- Mr. Fredson Yamba, Secretary to the Treasury.
- Mrs. Kayula A. Siame, Permanent Secretary, Ministry of Commerce Trade and Industry.
- Dr. Lawrence Sikutwa, Chairman and Chief Executive Officer for LSA Group of Companies.
- Mr. Isaac Ngoma, Development Consultant.
- Mrs. Silvia Banda, Chief Executive Officer, Sylva University.
- Mr. Geoffrey Sakulanda, Director, Spirit Insurance.
- Fr. Leonard Chiti, Director Jesuit Centre for Theological Reflection.
- Mr. David Kombe, Chairman and Chief Executive Officer for Blackdot Media.
- Mr. Robison Zulu, Chairman and Chief Executive Officer Meanwood Group of Companies.

7. Directors' fees and remuneration

- The Company paid K5,474,890 (2015 – K5,116,720) to Executive directors during the year.
- There were no loans made to directors or any outstanding loans from directors at the year end.
- Members of the Board were not entitled to any form of defined pension benefits from the company.

8. Employees

The company employed an average of 20 employees (2015: 13) and total salaries and wages for the year ended 31 December 2016 were K12,573,033 (2015- K6,884, 149).

9. Health, safety and environmental issues

As part of the conditions of the IDC's Investment projects, the Company undertakes Environmental and Social Impact Assessments, a requirement of both the local Zambian standards as well as international standards relating to the environment.

10. Social Responsibility

The Company is committed to supporting various activities and Companies across Zambia in line with its overall mandate of promoting, supporting and facilitating job creation.

11. Legal matters

There are no significant or material legal or arbitration proceedings to the knowledge of the Directors, any such proceedings which are pending or threatened, by or against the Company which may have or have had during the year immediately preceding the date of this document a significant effect on the financial position or profitability of the Company.

REPORT OF THE DIRECTORS (CONTINUED)

12. Gifts and donations

The company made no donations during the year (2015 – KNil).

13. Property, plant and equipment

The company acquired assets totalling K1,499,562 (2015 – K4,053,660) during the year.

14. Other material facts, circumstances and events

The directors are not aware of any material fact, circumstance or event which occurred between the accounting date and the date of this report which might influence an assessment of the company's financial position or the results of its operations.

15. Annual financial statements

The annual financial statements set out on pages 23 to 48 have been approved by the directors.

16. Auditors

In accordance with the provisions of section 171(3) of the Zambian Companies Act the auditors, Messrs Grant Thornton, will retire as auditors of the company at the forthcoming Annual General Meeting, and having expressed their willingness to continue in office a resolution for their re-appointment will be proposed at the Annual General Meeting.

LEYA M. NGOMA
COMPANY SECRETARY

By order of the Board

Date: 17th December 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 164 of the Companies Act 1994 requires the directors to prepare financial statements for each financial year, which give a true and fair view of the financial position of the Industrial Development Corporation Limited and of its financial performance and its cash flows for the year then ended. In preparing such financial statements, the directors are responsible for

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error;
- selecting appropriate accounting policies and applying them consistently;
- making judgements and accounting estimates that are reasonable in the circumstances; and
- preparing the financial statements in accordance with International Financial Reporting Standards, and on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1994. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that in their opinion

(a) the financial statements give a true and fair view of the financial position of the Industrial Development Corporation Limited as of 31 December 2016, and of its financial performance and its cash flows for the year then ended;

(b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when these fall due; and

(c) the financial statements are drawn up in accordance with the provisions of the second schedule to Section 164 of the Companies Act and International Financial Reporting Standards.

This statement is made in accordance with a resolution of the directors.

Signed at **Lusaka** on 19th December 2017.

Director **Director**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Industrial Development Corporation Limited, which comprise the statement of financial position as at 31 December 2016, and the statement of 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 give a true and fair view of the financial position of Industrial Development Corporation Limited as of 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 Company 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 judgment, were of most significance in our audit of the financial statements of the current year. 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.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDUSTRIAL DEVELOPMENT CORPORATION LIMITED (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on 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 company'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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the financial statements of the Industrial Development Corporation Limited as of 31 December 2016 have been properly prepared in accordance with the Companies Act 1994, and the accounting and other records and registers have been properly kept in accordance with the Act.

Grant Thornton

Chartered Accountants

Wesley. M. Beene (AUD F000465)

Name of Partner signing on behalf of the firm

Date: 19 December 2017

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016	2015
		ZMW	ZMW
Revenue	5	95,219,407	43,466,500
Other operating income		3,201,690	319,193
Administrative expenses	Schedule 1	(36,487,371)	(18,814,232)
Operating profit		61,933,726	24,971,461
Finance costs		-	-
Profit before taxation	6	61,933,726	24,971,461
Income tax	7(a)	(21,934,489)	(8,742,827)
Profit for the year		39,999,237	16,228,634
Other comprehensive income		-	-
Total comprehensive income		39,999,237	16,228,634

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share Capital	Capital Reserve	Retained Profits	Total
	ZMW	ZMW	ZMW	ZMW
At 1 January 2015	10,000,000	-	(2,523,900)	7,476,100
Issued during the year	-	15,705,042,000	-	15,705,042,000
Profit for the year	-	-	16,228,634	16,228,634
At 31 December 2015	10,000,000	15,705,042,000	13,704,734	15,728,746,734
Profit for the year	-	-	39,999,237	39,999,237
At 31 December 2016	10,000,000	15,705,042,000	53,703,971	15,768,745,971

STATEMENT OF FINANCIAL POSITION - 31 DECEMBER 2016

ASSETS

	Note	2016	2015
		ZMW	ZMW
Non – current assets			
Property, plant and equipment	8	4,321,286	4,444,152
Investment in subsidiaries	9	14,493,294,000	14,493,294,000
Investment in associates	10	1,211,748,000	1,211,748,000
Other investments	11	10,523,878	1,066,980
Deferred tax asset	7(c)	-	469,295
		15,719,887,164	15,711,022,427
Current assets			
Short term deposits	12	76,862,500	10,980,600
Trade and other receivables	13	1,673,325	50,971
Amounts due from related parties	14	10,567,500	-
Bank and cash balances		1,813,243	29,356,807
		90,916,568	40,388,378
Total assets		15,810,803,732	15,751,410,805
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15	10,000,000	10,000,000
Capital reserve	16	15,705,042,000	15,705,042,000
Retained profits		53,703,971	13,704,734
		15,768,745,971	15,728,746,734
Non current liabilities			
Capital grant	17	5,920,084	5,920,084
Deferred tax liability	7(c)	294,548	-
		6,214,632	5,920,084
Current liabilities			
Trade and other payables	18	5,460,361	7,531,865
Taxation payable	7(d)	30,382,768	9,212,122
		35,843,129	16,743,987
Total equity and liabilities		15,810,803,732	15,751,410,805

The financial statements on pages 23 to 48 were approved by the Board of Directors on 19th December 2017
and were signed on its behalf by:

)
)
) **DIRECTORS**
)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	ZMW	ZMW
Cash flows from operating activities		
Profit before taxation	61,933,726	24,971,461
Depreciation	1,622,428	665,375
Earnings before interest, tax, depreciation and amortisation	63,556,154	25,636,836
(Increase)/decrease in trade and other receivables	(1,622,354)	76,291
Increase in amounts due from related parties	(10,567,500)	-
(Decrease)/increase in trade and other payables	(2,071,504)	7,440,125
Income tax paid	-	-
Net cash outflows on operating activities	49,294,796	33,153,252
Investing activities		
Purchase of property, plant and equipment	(1,499,562)	(4,053,660)
Movement in other investments	(9,456,898)	(1,066,980)
Net cash outflow on investing activities	(10,956,460)	(5,120,640)
Net cash inflow before financing activities	38,338,336	28,032,612
Financing activities		
Capital grant received	-	5,920,084
Net cash inflow from financing activities	-	5,920,084
Increase in cash and cash equivalents	38,338,336	33,952,696
Cash and cash equivalents at beginning of the year	40,337,407	6,384,711
Cash and cash equivalents at end of the year	78,675,743	40,337,407
Represented by:		
Cash in hand and at bank	1,813,243	29,356,807
Short term bank deposits	76,862,500	10,980,600
	78,675,743	40,337,407

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2016

1. Company

The company was incorporated on 21 January 2014 and domiciled in Zambia.

The Industrial Development Corporation of Zambia is a domestic development finance institution wholly owned by the Zambian government. IDC Zambia's mandate is to play a catalystic role in deepening and supporting Zambia's industrialization capacity to support job creation and domestic wealth formation across key economic sectors. The IDC Zambia plays its role through evaluation, pricing and lowering the investment risk profile by serving as co-investor alongside private sector investors. IDC Zambia facilitates provision and raising of long term finance for projects. Simultaneously IDC Zambia serves as an investment holding company for state-owned enterprises and new investments.

2. Principal accounting policies

The principal accounting policies applied by the company in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of presentation

The financial statements are prepared in accordance with the provisions of the Companies Act 1994 and International Financial Reporting Standards (IFRS). The financial statements are presented in accordance with IAS 1 "Preparation of financial statements". They have been prepared under the historic cost convention, as modified by the revaluation of property, plant and equipment, available-for-sale financial assets, and financial assets and liabilities at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

b) New and revised standards that are effective for annual periods beginning on or after 1 January 2016

The Company has not early adopted any new standards or amendments that have a significant impact on the Company's results or financial position.

The standards and amendments that are effective for the first time in 2016 (for entities with a 31 December 2016 year end) and could be applicable to the Company are:

- 'Annual Improvements to IFRSs' 2012-2014 cycle
- 'Disclosure Initiative' (Amendments to IAS 1)
- 'Clarification of Acceptable Methods of Depreciation and Amortisation' (Amendments to IAS 16 and IAS 38)
- 'Agriculture: Bearer Plants' (Amendments to IAS 16 and IAS 41)
- 'Accounting for Acquisitions of Interests in Joint Operations' (Amendments to IFRS 11)
- 'Equity Method in Separate Financial Statements' (Amendments to IAS 27)
- 'Investment Entities: Applying the Consolidation Exception' (Amendments to IFRS 10, IFRS 12 and IAS 27).

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2016

2. Principal accounting policies (continued)

b) New and revised standards that are effective for annual periods beginning on or after 1 January 2016

These amendments do not have a significant impact on these financial statements and therefore disclosures have not been made.

In addition, IFRS 14 'Regulatory Deferral Accounts' is also effective from 1 January 2016. However, it is only applicable to first time adopters of IFRS and therefore is not applicable to the Company.

c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards, and amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the Company. Information on those expected to be relevant to the Company's financial statements is provided below.

Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not either adopted or listed below are not expected to have a material impact on the Company's financial statements.

IFRS 9 'Financial Instruments'

The new standard for financial instruments (IFRS 9) introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

Management has started to assess the impact of IFRS 9 but is not yet in a position to provide quantified information. At this stage the main areas of expected impact are as follows:

- the classification and measurement of the Company's financial assets will need to be reviewed based on the new criteria that considers the assets' contractual cash flows and the business model in which they are managed
- an expected credit loss-based impairment will need to be recognised on the Company's trade receivables and investments in debt-type assets currently classified as Available For Sale (AFS) and Held To Maturity (HTM), unless classified as at fair value through profit or loss in accordance with the new criteria
- it will no longer be possible to measure equity investments at cost less impairment and all such investments will instead be measured at fair value. Changes in fair value will be presented in profit or loss unless the Company makes an irrevocable designation to present them in other comprehensive income.
- if the Company continues to elect the fair value option for certain financial liabilities, fair value movements will be presented in other comprehensive income to the extent those changes relate to the Company's own credit risk.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2016

2. Principal accounting policies (continued)

c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018.

IFRS 15 introduces new guidance that will require the Company to evaluate the separability of multiple elements based on whether they are 'distinct'. A promised good or service is 'distinct' if both:

- the customer benefits from the item either on its own or together with other readily available resources, and
- it is 'separately identifiable' (i.e. the Company does not provide a significant service integrating, modifying or customising it).

  The subsequent allocation of arrangement consideration to individual performance obligations is based on their relative stand-alone selling prices.

  The Company is currently in the process of reviewing all its contracts to ascertain how the new requirements will impact the identification of distinct goods or services and the allocation of consideration to them.

- loss contracts – Under existing IFRSs, when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately in profit or loss. When a contract covers a number of assets, the construction of each asset is treated as a separate contract for this purpose if the segmentation criteria in IAS 11 'Construction Contracts' are met.

IFRS 15 does not include any guidance on how to account for loss contracts. Accordingly, such contracts will be accounted for using the guidance in IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. Under IAS 37, the assessment of whether a provision needs to be recognised takes place at the contract level and there are no segmentation criteria to apply. As a result, there may be some instances where loss provisions recognised in the past will not be recognised under IFRS 15 because the contract as a whole is profitable. In addition, when IFRS 15 requires the Company to combine two or more contracts that are entered into at or near the same time, the assessment of whether the contract is onerous will be performed at the level of the combined contracts. Lastly, the Company notes that a loss contract under IAS 11 is measured using an estimate of the total contract costs including, for example, an appropriate allocation of construction overheads. This is likely to be greater than the 'unavoidable costs' identified under IAS 37.

The Company is currently in the process of reviewing all its customer contracts to ascertain the extent to which the new requirements will impact the recognition and measurement of loss provisions.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2016

2. Principal accounting policies (continued)

c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

IFRS 16 'Leases'

IFRS 16 will replace IAS 17 and three related Interpretations. It completes the IASB's long-running project to overhaul lease accounting. Leases will be recorded on the statement of financial position in the form of a right-of-use asset and a lease liability.

IFRS 16 is effective from periods beginning on or after 1 January 2019. Management is yet to fully assess the impact of the Standard and therefore is unable to provide quantified information. However, in order to determine the impact the Company are in the process of:

- performing a full review of all agreements to assess whether any additional contracts will now become a lease under IFRS 16's new definition
- deciding which transitional provision to adopt; either full retrospective application or partial retrospective application (which means comparatives do not need to be restated). The partial application method also provides optional relief from reassessing whether contracts in place are, or contain, a lease, as well as other reliefs. Deciding which of these practical expedients to adopt is important as they are one-off choices
- assessing their current disclosures for finance leases (note 2(j)) and operating leases (note 2(j)) as these are likely to form the basis of the amounts to be capitalised and become right-of-use assets
- determining which optional accounting simplifications apply to their lease portfolio and if they are going to use these exemptions
- assessing the additional disclosures that will be required.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to the revaluation surplus in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost, net of any related deferred income tax, is transferred from the revaluation surplus to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

2. Principal accounting policies (continued)

(d) Property, plant and equipment (continued)

Depreciation is calculated to write off the cost of property, plant and equipment on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

Motor vehicles	25%
Furniture & fittings	20%
Computer hardware and software	33.3%
Office equipment	33.3%

Capital work in progress in not depreciated.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the statement of comprehensive income in the other operating income or other expenses.

(e) Financial assets

The Company classifies its investments into the following categories: financial assets at fair value through profit or loss, debtors and receivables, held-to-maturity financial assets and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired.

Management determines the classification of its investments at initial recognition and re-evaluate this at every reporting date.

(i) *Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception.

A financial asset is classified into the 'financial assets at fair value through profit or loss' category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short term profit taking, or if so designated by management.

Financial assets designated as at fair value through profit or loss at inception are those that are:

- held in internal funds to match investment contracts liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- managed and whose performance is evaluated on a fair value basis. Assets that are part of these portfolios are designated upon initial recognition at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

2. Principal accounting policies (continued)

(e) Financial assets (continued)

(ii) *Trade and other receivables*

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the company intends to sell in the short term or that it has designated as at fair value through income or available for sale. Trade and receivables are recognised at fair value, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to their original terms.

(iii) *Held-to-maturity financial assets*

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities other than those that meet the definition of debtors and receivables that the Company's management has the positive intention and ability to hold to maturity. These assets are recognised at fair value, less provision for impairment. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to their original terms.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Trade and other receivables and held-to-maturity financial assets are carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the year in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available for sale are recognised in equity. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as net realised gains or losses on financial assets.

Interest on available-for-sale securities is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the company's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the company establishes fair value by using valuation techniques.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

2. Principal accounting policies (continued)

(f) Impairment of assets

(i) *Financial assets carried at amortised cost*

The Company assesses at each reporting date whether there is objective evidence that a financial asset or Company of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Company about the following events:

- significant financial difficulty of the issuer or debtor;
- a breach of contract, such as a default or delinquency in payments;
- it becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation; or
- observable data indicating that there is a measurable decrease in the estimated future cash flow from a Company of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the company, including:
- adverse changes in the payment status of issuers or debtors in the Company; or
- national or local economic conditions that correlate with defaults on the assets in the Company.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on debtors and receivables or held-to-maturity investments, the amount of the loss is measured as the difference between the asset's carrying amount and the present value. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income.

If in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

2. Principal accounting policies (continued)

(f) Impairment of assets (continued)

(ii) *Financial assets carried at fair value*

The Company assesses at each reporting date whether there is objective evidence that an available-for-sale financial asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and current fair value, less any impairment loss on the financial asset previously recognised in statement of comprehensive income – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not subsequently reversed. The impairment loss is reversed through the statement of comprehensive income, if in a subsequent year the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in statement of comprehensive income.

(iii) *Impairment of other non-financial assets*

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments and balances held with banks.

Bank overdrafts are defined as facilities which are repayable on demand and classified as current liabilities.

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(i) Interest bearing liabilities

Short term interest bearing liabilities include all amounts expected to be repayable within twelve months from the reporting date, including instalments due on loans of longer duration. Long term interest bearing liabilities represent all amounts repayable more than twelve months from the reporting date.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

2. Principal accounting policies (continued)

(j) Leased assets

Where fixed assets are financed by leasing agreements which give rights approximating to ownership (Finance leases) the assets are treated as if they had been purchased and the capital element of the leasing commitments is shown as obligations under finance lease. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the profit and loss account over the period of the lease so as to produce a constant periodic rate of interest in the remaining balance of the liability under the lease agreement for each accounting period.

Rentals payable under operating leases are charged to the statement of comprehensive income over the term of the relevant lease and in accordance with the terms of the relevant leases.

(k) Investment income

Investment income is accounted for on an accrual basis and relates to interest earned from short term deposits.

(l) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Tax currently payable is based on the results for the year as adjusted for items which are non-assessable or disallowed for tax purposes.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

(m) Employee benefits

Pension obligations

The Company has a plan with National Pension Scheme Authority (NAPSA) where the company pays an amount equal to the employee's contributions. Employees contribute 5% of their gross earnings up to the statutory limit.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

2. Principal accounting policies (continued)

(n) Provisions

Restructuring costs and legal claims

Provisions for restructuring costs and legal claims are recognised when: the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(o) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividends are approved by the company's shareholders.

(p) Equity and reserves

Share capital represents the nominal value of shares that have been issued.

Retained earnings include all current year results disclosed in the statement of comprehensive income.

3. Critical accounting estimates and judgements

The preparation of financial statements in conformity with adopted IFRS requires management to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income, expenses and contingent liabilities. Estimates are based on historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and judgements are under continuous review.

Useful lines of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates, relate to technological obsolescence that may change the utility of certain assets.

4. Management of financial risk

4.1 Financial risk

The Company is exposed to a range of financial risks through its financial assets, financial liabilities. The most important components of this financial risk are interest rate risk and credit risk. These risks arise from open positions in interest rate and business environments, all of which are exposed to general and specific market movements.

The company manages these positions with a framework that has been developed to monitor its customers and return on its investments.

4.2 Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company is not exposed to this risk as at 31 December 2016.

The company structures the levels of credit risk it accepts by placing limits on its exposure to the level of credits given to a single customer. Such risk is subject to an annual or more frequent review. Limits on the level of credit risk by category and territory are approved annually by the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

4. Management of financial risk (continued)

4.3 Capital management

The Company's objective when managing capital is to safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company sets the amount of capital in proportion to its overall financing structure. The company manages the capital structure and makes adjustments to it in the light of the economic conditions and the risk characteristic of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of the dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Capital structure

	2016	2015
	ZMW	ZMW
Cash and cash equivalents	78,675,743	40,337,407
Equity	15,768,745,971	15,728,746,734
	15,847,421,714	15,769,084,141

5. Revenue

Revenue represents the dividends received during the year.

6. Profit before taxation

Profit before taxation is stated after charging:

Depreciation	1,622,428	665,375
Staff costs	17,936,961	11,404,717
Directors fees	5,474,890	5,116,720

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

7. Income tax charge

	2016	2015
	ZMW	ZMW
The change for taxationis made up as follows:		
Income tax at 35% (2015:35%) on the taxable		
profit for the period	21,170,646	9,212,122
Deferred taxation	763,843	(469,295)
	21,934,489	8,742,827
(b) Reconciliation of the tax charge:		
Profit before taxation	61,933,726	24,971,461
Taxation at current rate on		
accounting profit	21,676,804	8,740,011
Permanent differences:		
Disallowable expenses	257,685	62,985
Timing differences:		
Capital allowances and Depreciation	(17,080)	(220,838)
Tax loss	-	(950,983)
Movements in provision	(746,763)	1,580,947
Deferred taxation	763,843	(469,295)
Tax charge for the year	21,934,489	8,742,827
(c) Deferred taxation		
Anaylsis Movement:		
At 1 January	(469,295)	-
Provision during the year	763,843	(469,295)
At 31 December	294,548	(469,295)
(d) Movement in taxation account		
Taxation as at 1 January	9,212,122	-
Charge for the year	21,170,646	9,212,122
Tax paid	-	-
Taxation payable as at 31 December	30,382,768	9,212,122

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

8. Property, plant and equipment

(a) Summary

Cost or valuation

	Office equipment	Motor vehicles	furniture and fittings	Office Computer hardware	Total
	ZMW	ZMW	ZMW	ZMW	ZMW
At 1 January 2015	46,648	937,090	95,572	52,388	1,131,698
Additions	32,719	3,042,529	384,708	593,704	4,053,660
At 31 December 2015	79,367	3,979,619	480,280	646,092	5,185,358
Additions	1,730	600,868	296,345	600,619	1,499,562
At 31 December 2016	81,097	4,580,487	776,625	1,246,711	6,684,920
Depreciation					
At 1 January 2015	3,840	54,636	8,632	8,723	75,831
Charge for the period	21,746	475,511	63,746	104,372	665,375
At 31 December 2015	25,586	530,147	72,378	113,095	741,206
Charge for the year	26,792	1,145,122	143,642	306,872	1,622,428
At 31 December 2016	52,378	1,675,269	216,020	419,967	2,363,634
Net book value					
At 31 December 2016	28,719	2,905,218	560,605	826,744	4,321,286
At 31 December 2015	53,781	3,449,472	407,902	532,997	4,444,152

(b) In the opinion of the directors, the carrying values of property, plant and equipment stated above are not higher than their fair values.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

9. Investments in subsidiaries

(a) The company's interest in its subsidiaries is as follows:

Country of incorporation	Name of company	%	Opening balance 1 January 2016	Movement	At 31 December 2016
		held	ZMW'000	ZMW'000	ZMW'000
Zambia	ZESCO	100%	8,369,530	-	8,369,530
Zambia	ZCCM Investment	60.28%	3,201,091	-	3,201,091
Zambia	Indeni Petroleum	100%	632,625	-	632,625
Zambia	Zambia Forestry and Forest Industries Corporation	100%	244,906	-	244,906
Zambia	Mulungushi International Conference Centre	100%	135,512	-	135,512
Zambia	Mukuba Hotel	100%	5,326	-	5,326
Zambia	Mupepetwe Development Company	100%	1	-	1
Zambia	Mulungushi Village	100%	140,487	-	140,487
Zambia	Zambia International	100%	39,747	-	39,747
Zambia	Medical Services Limited	100%	1	-	1
Zambia	Lusaka South Multi-Facility Economic Zone	100%	1,889,080	-	1,889,080
Zambia	NIEC Business Trust School	100%	351	-	351
Zambia	Zambia Telecommunications Company	100%	(206,686)	-	(206,686)
Zambia	Zambia –China Textiles	33%	(34,256)	-	(34,256)
Zambia	Zambia Printing Company	100%	(4,256)	-	(4,256)
Zambia	Times Printpak (Z) Limited	100%	(506,826)	-	(506,826)
Zambia	Zambia Daily Mail Limited	100%	(93,235)	-	(93,235)
Zambia	ZSIC GROUP	100%	(193,996)	-	(193,996)
Zambia	Mpulungu Harbour Corporation Limited	100%	29,378	-	29,378
Zambia	Zambia Railways Limited	100%	928,907	-	928,907
Zambia	Engineering Services Corporation	100%	1	-	1
Zambia	ZAMCAPITAL ZEL	100%	1	-	1
Zambia	Nitrogen Chemicals of Zambia	100%	(84,395)	-	(84,395)
Total			14,493,294	-	14,493,294

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

9. Investments in subsidiaries (continued)

b) The summarised financial information for the subsidiaries is as follows:

Country of incorporation	Name of company	Percentage held	Assets ZMW'000	Liabilities ZMW'000	Revenues ZMW'000	Profit/(loss) ZMW'000
Zambia	ZESCO	100%	30,022,298	22,406,239	8,237,828	1,308,640
Zambia	ZCCM Investment	60.28%	10,030,775	1,381,462	112,392	443,520
Zambia	Indeni Petroleum	100%	643,044	186,911	264,502	21,121
Zambia	Zambia Forestry and Forest Industries Corporation	100%	478,582	48,838	198,115	82,288
Zambia	Mulungushi International Conference Centre	100%	265,154	124,862	23,704	13,608
Zambia	Mukuba Hotel	100%	14,681	17,946	5,387	(56)
Zambia	Mupepetwe Development Company	100%	117,965	39,921	3,835	(19,760)
Zambia	Mulungushi Village	100%	197,135	22,052	20,950	14,215
Zambia	Zambia International Trade Fair Ltd	100%	22,829	10,470	8,848	(2,063)
Zambia	Medical Services Limited	100%	1,687,611	1,630,686	68,200	(13,411)
Zambia	Lusaka South Multi-Facility Economic Zone	100%	1,931,188	121,694	5,387	1,334
Zambia	NIEC Business Trust School	100%	1,630	5,704	592	(1,740)
Zambia	Zambia –China Textiles	33%	31,632	305,597	283	22,838
Zambia	Zambia Printing Company	100%	9,277	17,909	-	(5,026)
Zambia	Times Printpak (Z) Limited	100%	54,217	672,200	45,691	(62,986)
Zambia	Zambia Daily Mail Limited	100%	208,916	539,131	84,636	73,882
Zambia	ZSIC GROUP	100%	721,075	1,000,662	434,115	(36,989)
Zambia	Mpulungu Harbour Corporation Limited	100%	31,260	8,868	15,456	(343)
Zambia	Zambia Railways Limited	100%	965,876	302,247	178,607	(131,801)
Zambia	Engineering Services Corporation	100%	38,173	7,126	15,099	(4,156)
Zambia	ZAMCAPITAL ZEL	100%	111,812	54,995	3,053	5,098
Zambia	Nitrogen Chemicals of Zambia	100%	1,236,840	1,679,867	919,517	54,206
Total at end of 31 December 2016			48,821,970	30,585,387	10,696,197	1,762,419

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

	2016	2015
	ZMW	ZMW
10. Investments in associates		
(a) Movement at cost:		
At beginning of the year	1,211,748,000	-
Arising during the year	-	1,211,748,000
At end of the year	1,211,748,000	1,211,748,000

(b) The company's interest in its associates is as follows:

Country of incorporation	Name of company	Percentage held	1 January 2016 ZMW'000	Non-cash movement ZMW'000	31 December 2016 ZMW'000
Zambia	Kagem Mine	20%	275,546	-	275,546
Zambia	Nanga Farms	14.27%	24,736	-	24,736
Zambia	ZANACO	25%	473,055	-	473,055
Zambia	Indo-Zambia Bank	40%	405,294	-	405,294
Zambia	Lusaka Trust Hospital	50%	6,450	-	6,450
Zambia	Afrox	30%	26,667	-	26,667
Total			1,211,748	-	1,211,748

	2016	2015
	ZMW	ZMW
11. Other investments		
At beginning of the year	1,066,980	-
Acquired during the year	9,456,898	1,066,980
At end of the year	10,523,878	1,066,980

The other investments relates to the investment in the scaling solar projects.

	2016	2015
12. Short term deposits		
Zambia National Commercial Bank – 182 days	76,862,500	10,980,600
13. Trade and other receivables		
Staff debtors	170,287	333
Other receivables	250,827	21,321
Prepayments	1,252,211	29,317
	1,673,325	50,971
14. Amounts due from related parties		
Indeni Petroleum Limited – dividends receivable	10,567,500	-
At end of the year	10,567,500	-

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

	2016	2015
	ZMW	ZMW
15. Share capital		
Authorised		
20,000,000 ordinary shares of K1 each	20,000,000	20,000,000
Issued and fully paid, 10,000,000 ordinary shares of K1	10,000,000	10,000,000
At beginning of the year	10,000,000	10,000,000
Issued during the year	-	-
At 31 December	10,000,000	10,000,000

16. Capital reserve

On 24 August 2015 the Government of the Republic of Zambia transferred its shares in certain companies to IDC and an amount of K15,705,042,000 was recognised as capital reserve.

	2016	2015
	ZMW	ZMW
17. Capital grant		
Government of the Republic of Zambia	5,920,084	5,920,084
	5,920,084	5,920,084

The Private Sector Development, Industrialisation and Job Creation (PSDIJC) had agreed to collaborate with the Company on four (4) projects anchored under the implementation framework for the Industrialisation and Job Creation. The projects include; Development of 600MW Grid Scale Solar Power Plants; Expansion of Industrial Forestry Plantations, establishment of Tourism Investment vehicle; and the development of Integrated fish Industry. As at the year end, the company had not yet utilized the grant.

	2016	2015
	ZMW	ZMW
18. Trade and other payables		
Trade payables	86,497	2,972,006
Employee related provisions	2,386,986	4,559,865
Other payables	2,986,878	-
	5,460,361	7,531,871

19. Financial instruments

Financial Assets

The Company's principal financial assets are equity instruments, bank balances and cash and trade and other receivables. The Company maintains its bank accounts with major banks in Zambia of high credit standing. Trade debtors are stated at their nominal value reduced by appropriate allowances for estimated irrecoverable amounts. Equity instruments are stated at cost less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

19. Financial instruments (continued)

Financial liabilities (continued)

Financial liabilities

The Company's financial liabilities are short and long term loans and trade creditors. Financial liabilities are classified according to the substance of the contractual arrangements entered into. Trade creditors are stated at their nominal value.

	2016	2015
	ZMW	ZMW
Financial assets	89,243,243	37,337,407
Financial liabilities	(86,497)	(2,972,006)
	89,156,746	34,365,401

(a) **Price risk**

(i) **Currency risk**

The Company's transactions during the period were mostly carried out in Zambian kwacha. Exposure to currency exchange rates arise from the company's bank account maintained in US dollars (USD).

Foreign currency denominated financial assets and liabilities which exposes the company to currency risk are disclosed below. The amounts shown are those reported to key management translated into Zambian kwacha at the closing rate:

	2016		2015	
	ZMW	USD	ZMW	USD
Financial assets	532,370	54,048	-	-
Financial liabilities	-	-	-	-
Total exposure	532,370	54,048	-	-

The following table illustrates the sensitivity of profit and equity in regards to the company's financial assets and financial liabilities and the USD/ZMW exchange rate all other things being equal. It assumes a +/-10% change of the ZMW/USD exchange for the year ended at 31 December 2016 (2015:10%). This percentage has been determined based on the average market volatility in exchange rate in the previous 12 months.

If the ZMW had strengthened against the USD by 10% (2015:10%) then this would have had the following impact:

	Profit for the year	Equity
	USD	UDS
31 December 2016	-	-
31 December 2015	-	-

If the ZMW had strengthened against the USD by 10% (2015: 10%) then this would have had the following impact.

	Profit for the year	Equity
	USD	UDS
31 December 2016	-	-
31 December 2015	-	-

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

19. Financial instruments (continued)

(a) Price risk

(ii) Interest rate risk

Financial assets are not exposed to the risk that their value will fluctuate due to changes in market interest rates. The Company's investment in short term deposits pays a fixed interest rate.

(iii) Market risk

The company is not exposed to the risk of the value of its financial assets fluctuating as a result of changes in market prices.

(b) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the company. The Company is not exposed to this risk as at 31 December 2016.

The company's maximum exposure to credit risk is limited to the carrying amounts of financial assets recognised at 31 December as follows:

	2016	2015
	ZMW	ZMW
Trade and other receivables	1,673,325	50,971
Amounts due from related parties	10,567,500	-
	12,240,825	50,971

The company's management considers that all the above financial assets, that are not impaired past due for each of the 31 December reporting dates under review are of good credit quality.

At 31 December the company has certain trade receivables that have not been, settled by the contractual due date but are not considered to be impaired. The amounts at 31 December, analysed by length of time past due are:

	2016	2015
	ZMW	ZMW
Not more than 3 months	-	50,971
More than 3 months but not more than 6 months	1,673,325	-
More than 6 months but not more than 1 year	10,567,500	-
More than 1 year	-	-
	12,240,825	50,971

(c) Liquidity risk

The Company is not believed to be exposed to significant liquidity risk, being inability to sell financial assets quickly at close to their fair value. This is due to the value of such assets not being material.

Liquidity risk is that the company might be unable to meet its obligations. The company manages its liquidity needs by monitoring scheduled debt servicing payments for long term financial liabilities as well as forecast cash inflows and outflows due to day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

19. Financial instruments (continued)

(c) Liquidity risk (continued)

As at 31 December the company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

31 December 2016

	Current		Non-current	
	Within 6 months ZMW	**6 to 12 months ZMW**	**1 to 5 Years ZMW**	**Later than 5 years ZMW**
Trade and other payables	3,073,375	2,386,986	-	-

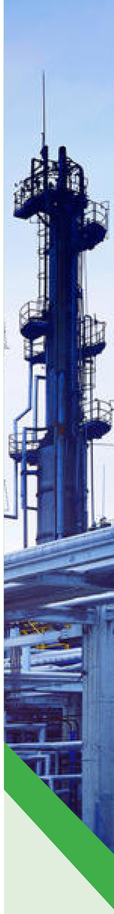
This compares to the maturity of the company's non-derivative financial liabilities in the previous reporting periods as follows:

31 December 2015

	Current		Non-current	
	Within 6 months ZMW	**6 to 12 months ZMW**	**1 to 5 Years ZMW**	**Later than 5 years ZMW**
Trade and other payables	2,972,006	4,559,865	-	-

(d) Cash flow risk

The Company is not exposed to the risk that future cash flows associated with monetary financial instruments will fluctuate in amount.



NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

20. Fair value measurement

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2016, 31 December 2015, and 1 January 2015.

31 December 2016	Level 1	Level 2	Level 3	Total
	ZMW'000	ZMW'000	ZMW'000	ZMW'000
Financial assets				
Listed securities and debentures	-	-	-	-
Money market funds	-	-	-	-
US-dollar forward contracts				
-cash flow hedge	-	-	-	-
Other forward exchange contracts				
inventory	-	-	-	-
Total Assets	**-**	**-**	**-**	**-**
Financial liabilities				
US-dollar loans	-	-	-	-
Contingent consideration	-	-	-	-
Total Liabilities	**-**	**-**	**-**	**-**
Net fair value	**-**	**-**	**-**	**-**

31 December 2015	Level 1	Level 2	Level 3	Total
	ZMW'000	ZMW'000	ZMW'000	ZMW'000
Financial assets				
Listed securities and debentures	-	-	-	-
Money market funds	-	-	-	-
US-dollar forward contracts				
-cash flow hedge	-	-	-	-
Other forward exchange contracts				
inventory	-	-	-	-
Total Assets	**-**	**-**	**-**	**-**
Financial liabilities				
US-dollar loans	-	-	-	-
Contingent consideration	-	-	-	-
Total Liabilities	**-**	**-**	**-**	**-**
Net fair value	**-**	**-**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

20. Fair value measurement (continued)

1 January 2015				
Financial assets				
Listed securities and debentures	-	-	-	-
Money market funds	-	-	-	-
US-dollar forward contracts				
-cash flow hedge	-	-	-	-
Other forward exchange contracts				
inventory	-	-	-	-
Total Assets	**-**	**-**	**-**	**-**
Financial liabilities				
US-dollar loans	-	-	-	-
Contingent consideration	-	-	-	-
Total Liabilities	**-**	**-**	**-**	**-**
Net fair value	**-**	**-**	**-**	**-**

21. Contingent liability

There were no known contingent liabilities as at 31 December 2016 (2015:Knil).

22. Related party transactions

The results of transactions with related parties during the year are detailed below:

(a) **Compensation of key management personnel**

The remuneration of management and other members of key management during the year were as follows:

	2016	2015
	ZMW	**ZMW**
Short-term benefits	5,474,890	5,116,720

(b) There were no loans to related parties and key management personnel.

(c) Other related party transaction:

Capital grant from GRZ	-	5,920,084

23. Capital commitment

There are no capital commitments as at 31 December 2016 (2015:Knil).

24. Events subsequent to reporting date

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature, likely, in the opinion of the directors of the Company, to affect substantially the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in the subsequent financial years.

SCHEDULE 1

DETAILED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

Revenue:

	2016	2015
	ZMW	ZMW
Dividends received	95,219,407	43,466,500
Interest on funds placed on deposit	1,220,637	197,369
Sale of tender document	-	121,824
Other income	1,981,053	-
Total Revenue	98,421,097	43,785,693
Expenditure:		
External audit	416,560	7,656
Bank charges	345,588	8,050
Depreciation	1,622,428	665,375
Fuel & oils	1,121,179	35,090
ICT services	157,090	16,569
Insurance	251,256	39,396
Office consumables	41,033	48,378
Operationalization of the IDC	249,318	759,868
Postage	7,926	3,292
Staff welfare	46,500	-
Professional membership – staff	12,809	-
Procurement committee meetings		135,100
Publication of corporate promotional materials	254,035	30,951
Salaries	12,573,033	6,884,149
Other staff costs	5,363,928	4,520,568
Telephone	473,654	28,728
Tender evaluation meetings	-	77,358
Motor vehicle expenses	432,713	32,625
Transport expenses	3,632	3,081
Computer and office accessories	34,917	7,028
Stationery and printing	212,831	44,827
Water	-	3,441
Newspaper and periodicals	42,760	34,920
Office rentals	211,200	233,950
Office cleaning	115,230	22,300
Repairs and maintenance	2,436	5,482
Foreign travel expenses	259,527	47,443
Exchange loss	6,155,285	4,416,993
Company secretarial costs	6,498	157,219
Website development	-	23,200
Project development	-	500,572
General expenses	109,503	19,558
Security	20,850	-
Director's fees	1,149,800	-
Tax penalties	79,800	-
Local travel	144,068	-
Situational review	3,574,166	-
Seminars	115,130	-
Training	132,307	-
Company searches – PACRA	-	415
Company Seals	-	650
Board expenses	748,381	-
Total Expenditure	36,487,371	18,814,232
Profit before tax	61,933,726	24,971,461