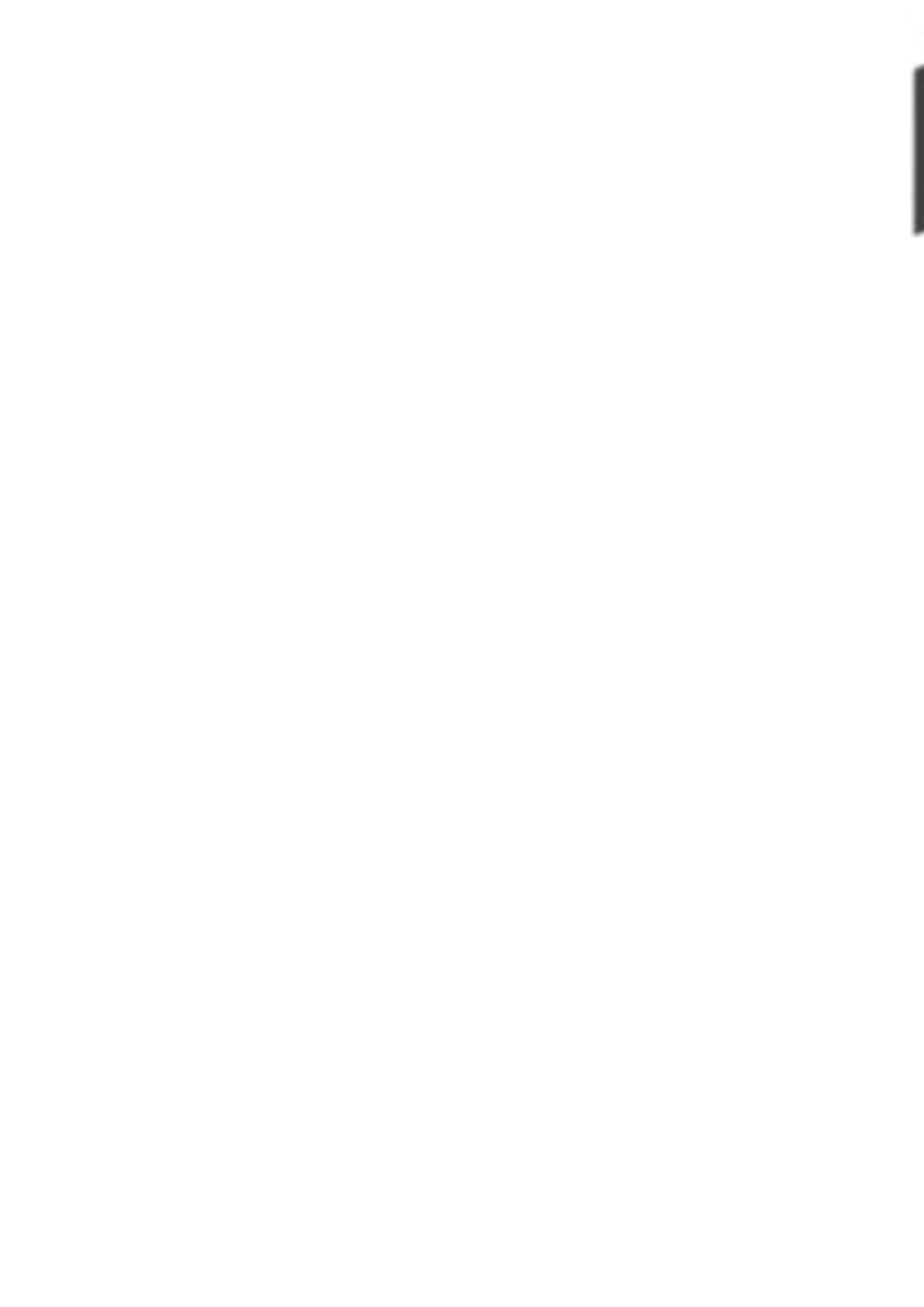




2017 Annual Report







2017 Annual Report

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Website: www.ncc.org.zm

Vision

To be an internationally recognized innovative and effective regulatory authority in promoting, developing, training and fostering quality and sustainable infrastructure.

Mission

To effectively contribute to sustainable national economic growth through the promotion, development, training and regulation of the Zambian Construction Industry.

Goal Statement

To promote sustainable infrastructure development and professional excellence through provision of training and technology transfer. To further promote and regulate the Zambian construction industry.

Core Values

1. Accountability
2. Integrity
3. Transparency
4. Zero Tolerance to corruption
5. Innovative

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Acronyms and Abbreviations

EIZ	Engineering Institution of Zambia
EMP	Earth Moving Plant
ICT	Information and Communication Technologies
ILO	International Labour Organisation
LBT	Labour Based Technology
MWS	Ministry of Works and Supply
MHID	Ministry of Housing and Infrastructure Development
NAMSSC	National Association for Medium and Small Scale Contractors
NCC	National Council for Construction
NCA	National Construction Authority
NRFA	National Road Fund Agency
OSHE	Occupational Safety Health and Environment
PACRA	Patents and Companies Registration Agency
RDA	Road Development Agency
RRMP	Road Rehabilitation and Maintenance Programme
SI	Statutory Instrument
TEVETA	Technical Education, Vocational and Entrepreneurship Training Authority
UNEP	United Nations Environment Programme
UNZA	University of Zambia
WGBC	World Green Building Council
ZABS	Zambia Bureau of Standards
ZGBA	Zambia Green Building Association
ZIPAR	Zambia Institute of Policy Analysis and Research
EIIP	Employment Intensive Investment Programme
IRCP	Improved Rural Connectivity Project



Chairperson's Remarks

It is my honor and privilege to present the NCC 2017 Annual report and its financial statements for the year ended 31st December 2017.

I wish to begin by stating that my Board was inaugurated on 30th November 2017 and immediately assumed its role of overseeing and ensuring that the strategic and policy mechanisms of NCC were operating efficiently and effectively.

The year under review witnessed a hive of activities whose effects have either a direct bearing on the construction industry or some long term consequences.

I have in mind the adoption and launch of the Seventh National Development Plan by His Excellency the President of the Republic of Zambia, Mr. Edgar Chagwa Lungu in June 2017. This document highlighted government's aspirations in infrastructure development for the next five years and how issues of climate change adaptation and gender mainstreaming in construction will be achieved.

Going forward, we need to ensure as captains of the construction industry, that these issues are well adopted by the relevant stakeholders and mainstreamed in our strategies for the development of the construction industry.

The year also saw the conclusion of the National Construction Authority (NCA) Bill which was submitted to the Ministry of Justice for escalation to Cabinet for adoption by Parliament. The NCA Bill is expected to be a flagship of the new legal landscape to guide and enforce the manner in which construction regulation and business will be conducted in Zambia amidst so many challenges that have arisen since the National Council for Construction (NCC) Act No.13 of 2003 was enacted. It was also encouraging to note that the construction industry continued to be buoyant and a major contributor to economic development as measured by its growth rate and contribution to the Gross Domestic Product.

Regarding the operations of NCC, it was encouraging to note the exponential increase of contractor registrations to 6,266 from 5,510 recorded for 2016 which represents an increase of 13.7%. This has been the highest since NCC was formed. The increase has been mainly attributed to government's realization of infrastructure development as a key driver of economic development.

Government has continued to invest in requisite infrastructure such as Aviation, Roads and Bridges, Education and Health facilities among others. The private sector has also played a part with most of the investment being witnessed in urban areas which includes facilities such as Shopping Malls, Office Blocks, Warehouses and Religious Centers.

The increase in contractor registrations have however not meaningfully translated into real value for jobs as foreign contractors continued to dominate the market with a 95% stake of the market value of projects.

Despite it being a requirement, the registration of Manufacturers and Suppliers of construction materials and equipment continued to be a challenge as witnessed by the low numbers captured. As innovation takes its toll in construction there is need to ensure that projects are being supplied with standardized construction materials that shall guarantee value for money and achieve the desired performance in use.

The year under review also saw NCC Materials Testing Laboratory boosted by funds from the World Bank under the Improved Rural Connectivity Project (IRCP) for the construction of a Greenfield Construction Materials Testing Laboratory with a budget of \$300,000.00. This will enhance NCC's ability to undertake a wider variety of construction materials testing.

As we begin the New Year, I would like to urge the Management and Staff of NCC to continue with their dedication and zeal in ensuring the goals of NCC are successfully attained.

Mrs. Roseta Chabala
BOARD CHAIRPERSON



Executive Directors Acknowledgment

On behalf of the NCC management and staff, may I begin by congratulating the new Board that was appointed and ushered in on 30th November 2017 by the Minister of Housing and Infrastructure Development, Hon. Ronald Chitotela. I also wish to express my gratitude to the immediate past board for the guidance, leadership and direction given during their 3 year tenure.

Their efforts and milestones among others included ensuring NCC visibility; financial prudence; and proposal for a new operational legislation to ensure that issues pertaining to construction are well backed by the law.

Much as 2017 recorded the highest number of registrations at 6,266, the situation is not as rosy on the ground. Zambian contractors returned only 5-10% of the market share by value only with the rest being foreign dominated. The situation entails that there is still limited participation of Zambian contractors in major infrastructure development projects.

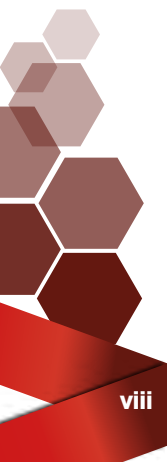
In 2018, NCC will put in measures to enhance compliance by procurement entities so as to ensure that only foreign companies that partner with Zambian firms are given public contracts. The dossier of public infrastructure projects contained in the Revised Seventh National Development Plan calls for stronger ties for effective monitoring with professional bodies and the ministry responsible for infrastructure development to ensure that there is compliance in every aspect of construction as mandated by the NCC Act. I am also confident that in 2018, the NCA Bill will be presented to parliament so that once it becomes a law, construction business can be conducted in a more conducive environment with minimal conflict in legislation and efficiency in the delivery of regulatory control.

The construction school performed fairly well in the delivery of skill award courses but there is need for improvement with the Provincial training workshop mode of training. The number of participants has remained worrisome over the years and hence the need for the school and the contractors to work together and boost the numbers of participation.

With the World Bank coming on board to facilitate the construction of the materials testing laboratory, coupled with the equipment that was procured earlier, NCC inspectorate will be boosted with the testing of various construction materials on site.

Lastly, may I thank all the staff for the relentless efforts made in ensuring the delivery of the NCC mandate for 2017 which shall be the last before it is transformed into an Authority.

Q.S. Matthew Ngulube
EXECUTIVE DIRECTOR



Section 1:

1.1 About NCC

National Council for Construction (NCC) was established through the National Council for Construction Act No.13 of 2003. The functions of NCC are as outlined in the National Council for Construction Act No. 13 of 2003. The mandate is to regulate, develop and build capacity of the Zambian construction industry. In fulfilling its mandate, NCC undertakes the following activities:

- a) Registration of contractors;
- b) Registration of Manufactures and suppliers of construction materials;
- c) Monitoring of construction activities;
- d) Capacity building of medium and small scale contractors; and
- e) Construction Materials Testing.

NCC mobilized funding for its operations as enshrined in Part Two, Section Ten of the National Council for Construction Act No. 13 of 2003. This consisted of appropriation by parliament, registration fees and grants. NCC also received funding from the National Road Fund Agency as well as Cooperating partners to undertake specific projects.

1.2 Board of Directors



Mrs. Roseta M. Chabala
Board Chairperson
Zambia Association of Manufacturers



Hon. Isaac Banda
Vice Chairperson
Minister's Appointee



Eng. Danny Mfune
Ministry of Housing and
Infrastructure Development



Mr. Josiah Hantebe Simachela
Attorney General's Chambers,
Ministry of Justice



Arch. Mphangela Tembo Nkonge
Zambia Institute of Architects



Mr. Amos Malupenga
Ministry of Local Government
and Housing



Mr. Michael Chileshe
Surveyors Institute of Zambia



Mrs. Margaret Lwenje Lungu
Zambia Bureau of Standards



Mr. Chikwanda Musonda
Ministry of Finance and National
Planning



Mr. Edward Mutale Mpepo
National Association for Medium and
Small Scale Contractors



Mrs. Catherine M. Kanyensha
Technical Education, Vocational and
Entrepreneurship Training Authority



Mr. Allen Polito
Energy Regulation Board



Dr. Michael Mulenga
University of Zambia



Mr. Zhang Jian
Association of Building and
Civil Engineering Contractors



Q.S. Matthew Ngulube
Executive Director
National Council for Construction

1.3 Management



Q.S. Matthew Ngulube
Executive Director



Ms. Mwenya Kapasa
Legal Counsel



Arch. Chance Kaonga
Principal – Construction School



Eng. Ernest Nshindano
Director –
Registration and Regulation



Mr. Morgan Chiselebwe
Director –
Finance and Administration



Mr. Lucky K. Muntanga
Manager – Internal Audit



Mr. Brian Mutale
Manager –
Business Development



Eng. Titus Chiwembe
Manager –
Laboratory Services

1.4 Board Engagement

NCC is governed by a 16-member Board which is the supreme policy making body for the institution. The NCC Board consists of professionals representing organizations as prescribed in the NCC Act and as appointed by the Minister.

The term for the previous board came to an end in March 2017 and a new board of directors was appointed on 22nd November 2017 and inaugurated on 30th November 2017. The List of Board Meetings held in 2017 was as follows:

Details	Date
Quarter 1 Board Meeting	10 th February 2017
Special Board Meeting	13 th February 2017
Special Board Meeting	3 rd March 2017
Special Board Meeting	14 th December 2017

1.14 List of Committee meetings undertaken in 2017

Audit and Risk Management Committee

The Audit and Risk Management Committee held one meeting on 17th January 2017. Attendance was as listed below:

Name	Position
Mrs. Peggy Chituta	Chairperson
Mr. Malumbo Haimbe	Member
Mr. Chikwanda Musonda	Member
Mr. Mumbwali Simuzingili	Member
Ms. Mwenya Kapasa	Management/Secretary
Mr. Lucky Muntanga	Management

Registration, Regulation and Business Development Committee

The Registration, Regulation and Business Development Committee held one meeting on 18th January 2017. Attendance was as listed below:

Name	Position
Mrs. Roseta Chabala	Chairperson
Mr. Michael Nyirenda	Member
Mr. Michael Chileshe	Member
Mr. Josiah Simachela	Member
Q.S. Matthew Ngulube	Member
Ms. Mwenya Kapasa	Management/Secretary
Mr. Golden Makayi	Management
Mr. Brian Mutale	Management

Education and Training Committee

The Education and Training Committee held one meeting on 19th January 2017. Attendance was as listed below:

Name	Position
Mrs. Catherine Kanyensha	Chairperson
Dr. Fredrick Chileshe	Member
Mr. Edward Mpepo	Member
Mr. Amos Malupenga	Member
Mr. Crispin Chilikwela	Member
Arch. Chance Kaonga	Management
Eng. Titus Chiwembe	Management
Ms. Mwenya Kapasa	Management/Secretary

Finance and Administration Committee

The Finance and Administration Committee held one ordinary meeting on 20th January 2017. Attendance was as listed below:

Name	Position
Mr. Danny Mfune	Member
Mr. Chisomo Chongo	Proxy
Mrs. Hildah Kawesha	Member
Mr. Chikwanda Musonda	Member
Mr. Mathew Ngulube	Member
Ms. Mwenya Kapasa	Management/Secretary
Mr. Morgan Chiselebwe	Management

In addition, the Finance and Administration Committee of the Board of Directors also held a Special Board Finance and Administration 12th December 2017. Attendance was as listed below:

Name	Position
Mr. Edward Mpepo	Chairperson
Mr. Chikwanda Musonda	Vice Chairperson
Q.S. Matthew Ngulube	Member
Mr. Allen Polito	Member
Mr. Danny Mfune	Member
Mr. Nkumbu Siame	Proxy for Eng. Danny Mfune
Mr. Isaac Banda	Member
Ms. Mwenya Kapasa	Management/Secretary
Mr. Morgan Chiselebwe	Management

Section 2:

Administration

This section gives an outline of activities undertaken by the various departments at NCC during the period under review. NCC is administratively divided into four departments.

2.1 Legal Services

The Department is responsible for all legal matters concerning NCC. It is also in charge of all Board related matters and provides Secretarial services to the Board.

2.1.1. Facilitation of signing of Memoranda of Understanding.

The department facilitated the signing of various MoU's between NCC and the following organizations:

- (i) Guizhou Transportation Planning Survey and Academe Co. Limited (GSDC) for establishment of a Public Private Partnership (PPP) for the establishment of a national research and development centre for construction in Zambia;
- (ii) Copperbelt University for construction-related research and consultancy activities;
- (iii) Handyman's Lime for in construction-related research consultancy, training and advocacy activities; and
- (iv) Mobile Maintenance Vocational Training Centre for training activities in the construction industry.

2.1.2. Completion of the Review process of the NCC Act No. 13 of 2003

The Department spearheaded the Review of the NCC Act No. 13 of 2003. The National Construction Authority (NCA) Bill was submitted on 3rd October, 2017 to the Ministry of Housing and Infrastructure Development for onward submission to the Ministry of Justice. The NCA Bill has since been submitted to Cabinet Office for approval.

2.1.3. Board Inauguratic

The new Board of Directors was appointed on 22nd November 2017 and Inaugurated on 30th November 2017 by the Minister of Housing and Infrastructure Development Hon. Ronald Chitotela.

2.1.4 Board Induction

The induction for the Board of Directors was conducted on the 7-8th December 2017. The induction included presentations by the various departments and units at NCC and presentations on various topics by the Institute of Directors.

2.2 Registration and Regulation

In order to contribute to the achievement of the NCC mandate as stipulated in the NCC Act No. 13 of 2003, the Department of Registration and Regulation engaged in various regulatory activities in 2017. These activities included registration of contractors, registration of projects, monitoring of construction projects and other enforcement activities.

2.2.1 Registration of Contractors

The NCC Act no. 13 of 2003 prohibits any person from carrying out works as a contractor without registration. The Department continuously registers contractors throughout the year in order to ensure that the construction industry is developed and promoted with Zambian contractors being given priority. This also ensures that data is provided on the size and distribution of contractors in the industry.

In this regard, NCC recorded a total number of 6,266 contractor registrations by December 31, 2017 while recording 5,510 registrations at the end of the same period of 2016; representing an upward surge of 13.7% in 2017.

Table 1 shows the number of certificates issued in 2017 by grade, category and classification.

Table 1: Registrations as at 31st December 2017 by Grade, Category and Classification

Category	Grade						
	Total	1	2	3	4	5	6
General Building and Housing	2,829	78	73	55	362	496	1,765
General Civil Engineering	628	53	29	12	47	95	392
Electrical and Telecommunications	522	41	23	20	39	100	299
Mining Services	409	13	11	3	22	36	324
General Mechanical Engineering	99	6	2	1	3	5	82
General Roads and Earthworks	1,760	69	33	33	157	332	1,136
Specialist Class A	4	4					
Specialist Class B	15	15					
Totals	6,266	279	171	124	630	1,064	3,998

2.2.1.1 Registration Trend

Figure 1 shows the registration trends from 2005 to 2017. The figure indicates that the number of registrations have been increasing steadily, except for 2014 when a decline was recorded, owing to a downturn in the economy.

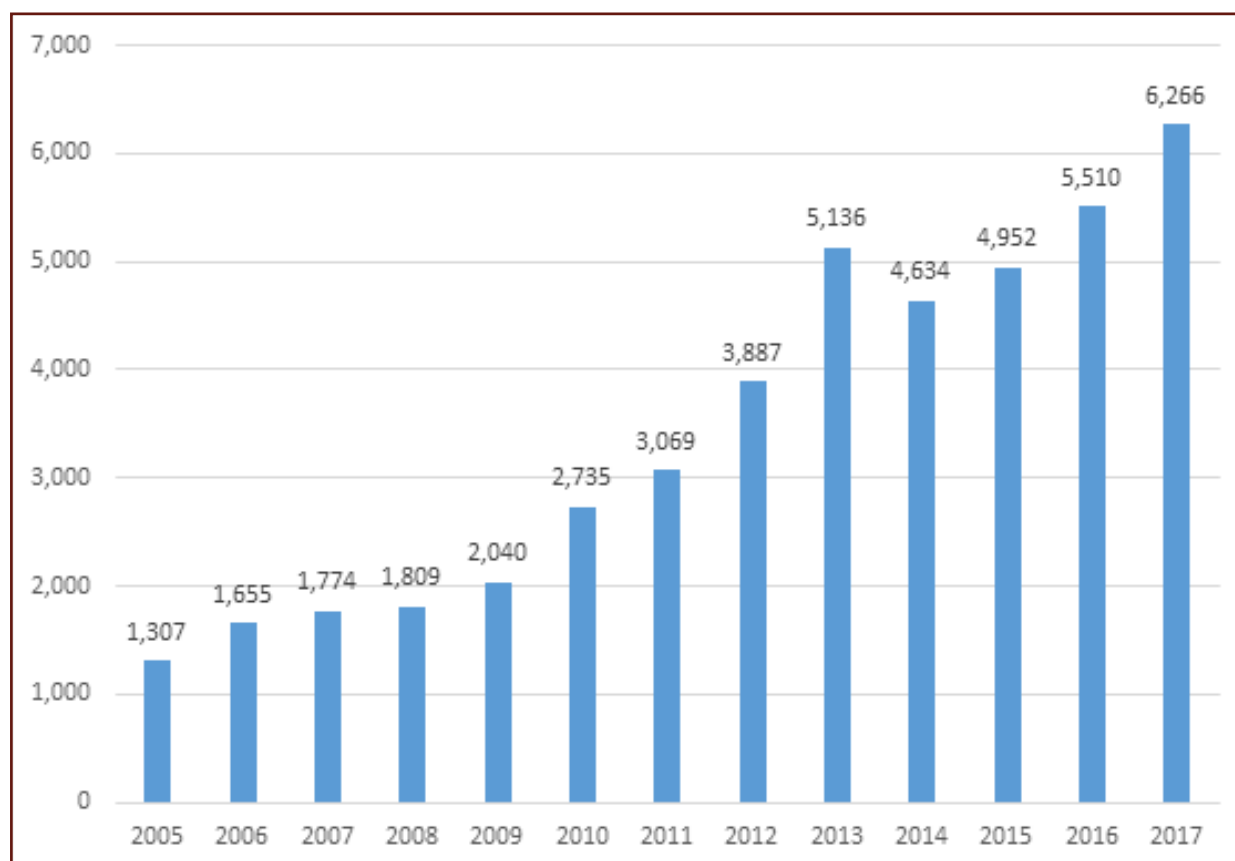


Figure 1: Registration Trends from 2005 to 2017

2.2.1.2 Distribution of Registrations by Grade

The number of registrations processed in 2017 varied by Grade with contractor certificates issued in Grade six accounting for 61% by end of the review period of 2017 as compared to 66% in the same period of 2016. Figure 2 shows the percentage breakdown of 2017 registrations by grade.

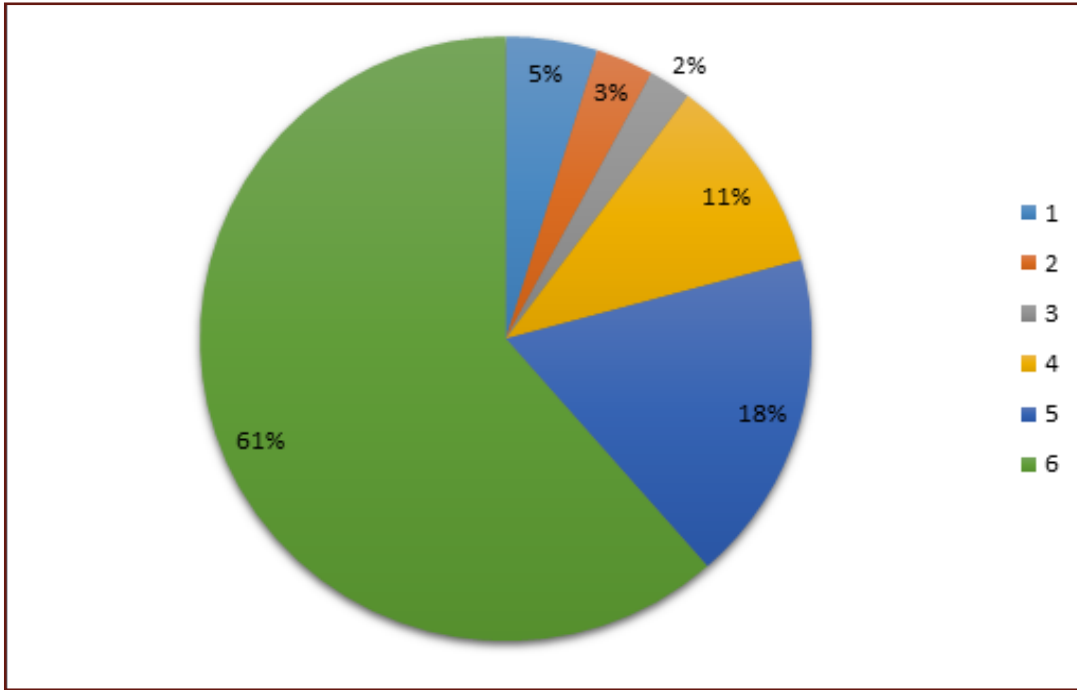


Figure 2: Distribution of Registration by Grade

2.2.1.3 Classification of Contractor Registration

Registrations are classified either as Zambian or Foreign.

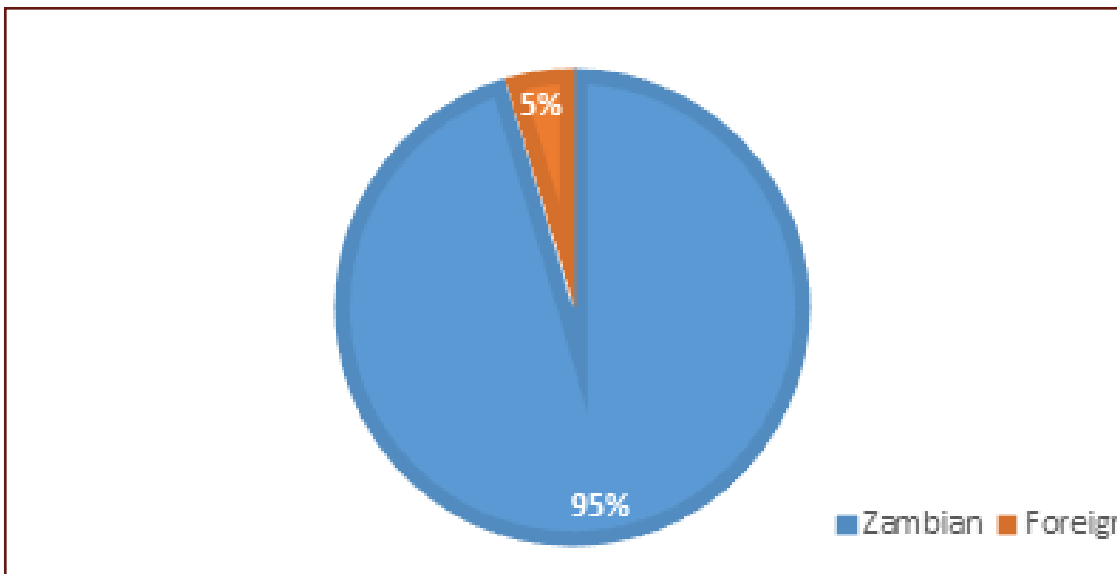


Figure 3: Distribution of Registration Certificates Issued by Ownership

A total number of 5,959 of registration certificates were issued to Zambian owned construction companies representing 95 percent and 307 representing 5 percent of the total registrations that were issued were classified as foreign companies.

2.2.2 Review of Construction Standards

In 2017, a total of 62 standards were presented for review of which 49 were discussed and approved for adoption. Of the 62, 14 standards were deferred.

2.2.3 Monitoring of Construction Projects Per Quarter

First quarter inspections took place between 6th February and 24th March 2017. Inspections were conducted in the mines in Copperbelt, North-Western, Luapula, Lusaka, and Southern provinves. A total of 123 projects were inspected during the period under review. Details of inspections are contained in Table 2.

Table 2: Projects inspected during the 2017 First Quarter

Province	Projects Inspected	Number of Employees	Contractors Penalised	Contractors Warned	Sites Closed	Works suspended/ Abandoned
N/Region Mines	29	1,940	5	0	0	0
Lusaka	47	2,894	4	11	1	02
Copperbelt	7	147	0	01	0	0
Southern	40	1,052	0	19	0	0
Totals	123	6,033	09	31	1	02

Second quarter inspections were conducted in the mines in the Northern Region, Lusaka, Kitwe and Choma. A total of 514 projects were inspected during this period. The distribution of inspections was as shown in Table 3.

Table 3: Projects inspected during the 2017 Second Quarter

Province	Projects Inspected	Number of Employees	Contractors Penalised	Contractors Warned	Sites Closed	Works suspended/ Abandoned
Eastern	53	886	0	3	0	17
Central	41	541	1	3	1	15
Muchinga	58	899	4	2	1	23
Luapula	51	1,610	3	2	0	20
Copper Belt	46	1,013	4	5	1	7
Northern	41	788	0	1	0	6
North Western	59	2,085	1	2	0	18
Western	87	405	0	0	0	8
Southern	80	1,514	1	14	0	180
Totals	514	9,741	14	32	3	294

Third quarter inspections were conducted in selected districts of Central, Eastern, Western, Southern, Muchinga and Northern provinces. A total of 657 projects were inspected during the Third Quarter as shown in Table 4.

Table 4: Projects inspected during the 2017 Third Quarter

Province	Projects Inspected	Number of Employees	Contractors Penalised	Contractors Warned	Sites Closed	Works suspended/ Abandoned
Eastern	58	1,456	0	5	1	16
Central	42	565	0	1	1	23
Muchinga	156	1,216		2	1	38
Luapula	69	2,116	4	6	0	19
Copper Belt	46	1,013	4	2	1	7
Northern	85	1,404	7	4	13	0
North Western	50	1,750	1	2	0	15
Western	100	867	0	9	0	0
Southern	97	1,217	8	1	0	16
Totals	657	10,591	25	30	16	127

2.2.4 Overall Value of Projects Undertaken

Foreign registered contractors had the highest value of projects awarded to them in comparison to the Zambian contractors as well as the Zambian-foreign contractors. This is despite the over 90% of the registered contractors being Zambian. Table 5 gives an indication of data recorded in 2017.

Table 5: Value of Contracts by Ownership of Registered Contractors in 2017

Nationality of Contractor	Value of Projects	Percentage	Number of Registered Contractors 2017	Average Value of Work Per Contractor
ZAMBIAN	ZMK 10 394 714 847,44	23.89%	5 959	ZMK 1 744 372,35
FOREIGN	ZMK 32 780 420 891,22	75.35%	307	ZMK 107 851 775,95
LOCAL/FOREIGN	ZMK 330 074 324,71	0.76%		
GRAND TOTAL	ZMK 43 505 210 063,37		6 266	

4.0 Registration of Projects - Statutory Instrument No. 39 of 2015

Pursuant to Statutory Instrument No. 39 of 2015 (Registration of Projects) regulations, NCC continued to register projects awarded to contractors. Since the launch of the SI No. 39 in 2015, 174 projects have been registered. Table 6 shows the number of projects registered from inception to date by category of registration.

Table 6: Project Registration Summary Data

Projects	No.	Value (ZMK)	Percentage
Roads	17	19,667,312,522.69	21%
Buildings	137	25,684,285,444.29	27%
Civil	16	34,275,457,238.75	36%
Electrical Mechanical	4	15,526,417,090.00	16%
Total	174	95,153,472,295.73	100%

2.3 Construction School

Under the National Council for Construction Act, NCC is mandated to provide capacity building to small and medium scale contractors with a view to helping them grow.

In this regard, NCC operates a Grade One Technical Education and Vocational Entrepreneurship Training Authority (TEVETA) registered institution. The Construction school offers various short intensive training to contractors at a subsidised cost with support from government and other cooperating partners.

In 2017, NCC received support from National Road Fund Agency (NRFA), United Nations Environmental Programme (UNEP), the International Labour Organisation (ILO) and United Nations Development Programme (UNDP) towards training of various SMEs in the sector.

2.3.1 Capacity Building

NCC conducted courses meant to bridge the skills gap in the local contractors. Most courses were targeted at Small and Medium Scale Contractors, Government Institutions, Local Authorities, Consulting Firms, Individuals and other stakeholders in the construction sector.

Table 7 presents a summary of training and capacity building programmes conducted by NCC in 2017.

Table 7: Capacity Building Programmes Conducted by NCC in 2017

Item	Course	No. Trained 2017
1	Road Construction & Maintenance Supervision	49
2	Management of Civil Engineering Processes	30
3	Contracts Management	6
4	Paving Technology – Concrete and Cobblestone	78
5	Construction Materials Testing	47
6	Basic Land Surveying	18
7	Steel Fixing	8
8	Painting	6
9	Plumbing	12
10	Occupational Health and Safety	143
11	Building Works Supervision	72
12	AutoCAD	6
13	Earth Moving and Plant Operation	81
14	Provincial training workshops	294
15	Start and Improve Your Green Construction Business	25
Total		875

2.3.2 Provincial Training Workshops

The School conducted Provincial Training and Advisory Workshops for contractors in the ten provinces of Zambia. The trainings provided information on key areas such as Contracts Management, preparation of Responsive Bids, Pricing of Construction Works, Financial Management and Basic First Aid. In addition, NCC invited other Government Agencies whose operations had bearing on the Zambian Construction Industry to make presentations on their respective roles.

NCC invited Government agencies such as Zambia Revenue Authority (ZRA), National Pension Scheme Authority (NAPSA), Workers Compensation Fund Control Board, Zambia Public Procurement Authority (ZPPA), Zambia Development Agency (ZDA), Road Development Agency (RDA), St Johns Zambia, Occupational Health and Safety Institute (OHSI), and Department of Public Infrastructure (formally Buildings Department).

Table 8: Attendance to Provincial Training and Advisory Workshops in 2017

Item	Province	Start Date	Venue	Target	Actual
1	Lusaka	13 th Feb	NCC Secretariat	50	51
2	North-Western	27 th Feb	Solwezi Lodge	50	34
3	Copperbelt	20 th March	Lothian House	50	19
4	Eastern	3 rd April	Luangwa House	50	27
5	Southern	24 th April	Livingstone Lodge	50	24
6	Muchinga	8 th May	Council Hall	50	27
7	Northern	22 nd May	Kasama Lodge	50	24
8	Western	11 th June	Mongu Lodge	50	29
9	Luapula	19 th June	Mansa Lodge	50	29
10	Central	26 th June	Kabwe Lodge	50	30
Total				550	294

Table 8 shows the number of contractors by province who attended the workshops. This was an increase of 27.8%.

In terms of the usual trainings, compared to 2016 where NCC recorded a total of 273 contractors, there was high demand for the Cobblestone and Concrete Paving Technology courses. The school recorded a 33% overall increase in the number of students trained in 2017 compared to 2016.

2.3.3 Development of Syllabus for Diploma in Highway Engineering Course

A team of Technical experts drawn from NCC, UNZA, RDA, EIZ, Engineering Consultants and TEVETA was engaged to develop the syllabus for a Diploma in Highway Engineering Course. The program content will comprise of 22 modules with a duration of three (03) years. This program will be unique considering its content and the fact that no other institution in Zambia offers the course. It is thus envisaged to attract students from both industry and direct entrants from school. The document was validated in July 2017 and awaits approval by TEVETA.

2.3.4 Graduation Ceremonies

The following graduation ceremonies were held in 2017:

- a. 2017 Combined Graduation Ceremony:** NCC held the 8th Combined Graduation Ceremony for Skills Award Courses conducted at the Construction School between July 2016 and June 2017. During the ceremony, a total of 323 students graduated. The ceremony was held at New Government Complex on 28th July 2017 and officiated by the Minister of Housing and Infrastructure Development who was represented by his Permanent Secretary, Eng. Charles Mushota.
- b. Paving Technology Course:** A total of 35 participants graduated at the ceremony held on 20th December 2017 at the Provincial Administration in Kasama. In its quest to decentralise training, the Construction School conducted a Paving Technology course in Kasama, Northern Province. The training was from 20th February to 3rd March 2017. The event was officiated by the Northern Province Assistant Secretary who represented the Permanent Secretary as the guest of honour.

2.3.5 Library

The library is a strategic unit in the Construction School. The school continued to look for innovative ways to modernize its library. The following activities were undertaken in the Library:

- (i) The school operationalised the Computer Laboratory;
- (ii) NCC adopted an online cataloguing system for easy resource management.
- (iii) In line with (i), (ii), the Resource Centre officer attended an orientation training at the University of Zambia for three (3) days from 18th to 20th April. This was a National workshop on the new cataloguing rules called Resource Description and Access (RDA).
- (iv) The library also acquired 31 books; and
- (v) The Resource Centre Officer participated in the 2017 National library week, which took place in Chipata from 5th June to 9th June.

2.3.6 Collaborations with other Institutions for Capacity Building

2.3.6.1 United Nations Environment Programme (UNEP)

Based on an Agreement between NCC and International Labour Organisation (ILO) for implementation of the Zambia Green Jobs Programme activities, UNEP signed another Small Scale Funding Agreement (SSFA) with NCC to implement some activities from September 2016 to December 2017 amounting USD 30,000.

The SSFA with UNEP catered for activities pertaining to the review of the Building Works Supervision Course currently offered by the NCC School to incorporate sustainability concepts. The final document was reviewed and validated. This was then approved by TEVETA on 7th July 2017.

2.3.6.2 International Labour Organisation (ILO)

ILO is providing technical support to the Government on the Employment Intensive Investment (EII). The Employment Intensive Investment Programme (EIIP) links infrastructure development with skills development, enterprise promotion and employment creation, leading to inclusive and sustainable economic growth.

The programme further seeks to demonstrate how productive infrastructure can be created and maintained in a cost effective manner using labour intensive approaches in order to promote resilience, access to services and employment opportunities for poor and vulnerable people. One of the ventures identified in this programme is the training of individuals in cobblestone production and paving.

NCC also collaborated with ILO in the training of women and youth in cobblestone paving technology.

NCC further participated in the process which led to the adaption and domestication of the curriculum being used for Cobblestone Paving Technology at regional level into a national document. This was done in collaboration with different institutions representing government institutions and the private sector and included Road Development Agency, Ministry of Transport and Communications, Engineering Institute of Zambia, National Medium and Small Scale Contractors, National Housing Authority, Ministry of Youth and Sport, Yolimba Construction, TEVETA and NCC. The Curriculum now awaits approval by TEVETA

2.3.6.3 Training of Selected TVET Institutions in Project Cycle Management, Contract Administration and Financial Management

As part of EIIP, ILO working closely with RDA and NCC, conducted an assessment of six selected TEVET institutions. Under the Affirmative Action Programme (AAP) certain institutions are to be registered as NCC contractors and will be expected to manage infrastructure contracts executed by youth cooperatives involved in the implementation of AAP.

The objective of the assessment was to determine their potential capacity to manage infrastructure contracts. The findings of the assessment indicated that there was need for enhanced capacity especially in procurement, contract administration, as well as project cycle management in order for them to successfully manage these projects.

In order to address this, NCC collaborated with ILO to develop a tailor made programme in Project Cycle Management, Contract Administration and Financial Management based on the capacity assessment and the potential skills requirements for the implementation of the AAP.

A residential training workshop from 20th November to 1st December 2017 was facilitated by NCC with 18 participants representing seven institutions. Participation was drawn from Northern Technical College (NORTEC), Lusaka Vocational Training College, Livingstone Institute of Business and Engineering Studies, Choma Trades, Zambia Institute of Management (ZAMIM), Kabwe IT and Ministry of Youth and Sport.

Training and Capacity Building for Women and Youths in Cobblestone Technology (Production and Laying) ACP-EU Development Minerals Programme Financed by the European Union and United Nations Development Programme (UNDP).

The School was engaged to conduct training by the UNDP under the ACP-EU Programme. The African, Caribbean and Pacific - European Union (ACP- EU) Development Minerals Programme is a three-year, €13.1 million capacity building

program that aims to build the profile, and improve the management, of Neglected Development Minerals (industrial minerals; construction materials; dimension stones; and semi-precious stones). The program is an initiative of the African, Caribbean and Pacific (ACP) Group of States, financed by the European Union and the United Nations Development Programme (UNDP), and implemented by UNDP. The ACP-Development Minerals Programme under the Ministry of Mines and Mineral Development requested NCC to train 50no. Women and youth in Cobblestone production and paving.

The training commenced on 11th September and ended on 6th October 2017. A total number of 46 participated of which 32 were Female and 14 were Male. The three week programme consisted of one week theory and two weeks practical. The practical site was Roma Girls Secondary School.



Segmental arch pattern under construction



Final paved layer being compacted



QS. Ngulube speaking at the graduation ceremony



Graduands pose for a group photo

2.3.6.4 Refresher courses for Cooperativa Muratori and Cementisti (CMC) Di Ravenna Zambia Branch Company Limited

In November 2017, Cooperativa Muratori and Cementisti (CMC) Di Ravenna Zambia Branch Company Limited requested NCC Construction School to provide various capacity building programmes for skilled and non-skilled workers whom they have engaged on the Millennium Challenge's Account funded Lusaka Drainage Project.

Pertinent to the above, NCC and CMC signed a contract in which 106 artisans and skilled persons were trained in various capacity building refresher courses in Health and Safety. The training programmes were designed for a duration of two weeks starting 13th November, 2017 to the 24th November, 2017.

2.3.7 Career Talks

In raising awareness about careers in construction, career talks were conducted in various secondary schools around the country. NCC conducted Career talks in Lusaka,

Muchinga, Luapula and Western Provinces. NCC had a target of reaching 500 pupils but reached 639 pupils in the aforementioned provinces.

2.3.9 Collaboration with other Institutions

The Construction School continued to collaborate with other institutions in the attainment of its capacity building mandate. NCC collaborated with :

- a. **National Road Fund Agency:** who provided funding for SMEs capacity building programmes in road construction courses. NCC also collaborated with ILO and RDA as outlets.

2.4 Finance and Administration

The Finance and Administration Directorate has six (6) sections which operate in support of NCC activities.

2.4.1 Human Resource and Administration

The following section provides activities undertaken under the Human Resources and Administration Section.

- a. **Staff Complement:** NCC had a staff complement of ninety-seven (97) as at 31st December, 2017.
- b. **Staff Separation:** One member of staff had their contract terminated by the Board of Directors of NCC with effect from 6th January 2017.
- c. **Staff Appointments: The following appointments took place in 2017;**
 - 1) Director-Registration and Regulation;
 - 2) Training Manager; and
 - 3) Buildings Engineer.
- d. **Capacity Building:** A total of 7 members of staff were sponsored to attend various training programmes.
- e. **Performance Appraisals:** 2017 performance appraisals were conducted for all members of staff.
- f. **Staff Health and Wellness:** In order to encourage a lifestyle of health and fitness and wellness, two aerobics sessions were organized where members of staff were shown a number of fitness and wellness activities by a training instructor.
- g. **Team Building:** In order to build a spirit of team work, and motivation, a Team Building workshop for all members of staff was organised which took place on Saturday, 23rd September 2107 at Chita Lodge in Kafue.
- h. **Staff Recognition:** As part of Labour Day commemoration activities eight members of staff were awarded in various categories for their performance.
- i. **Staff Identification Cards:** An exercise for the production of staff identity cards was undertaken and completed in 2017.

2.4.2 Accounts

This section ensured that NCC activities were adequately funded and that appropriate statutory financial statements were produced and accounting records maintained.

2.4.3 Procurement and Supplies

This section highlights the main procurement activities that were undertaken during the year under review. In line with the approved Procurement Plan for 2017 NCC undertook various tenders via simplified bidding. Some notable contracts for goods and services awarded were as follows:

- (i) Procurement of Sage 300 advanced Edition Software for the NCC eGovernance Procurement (eGP) project;
- (ii) Installation of networking materials for Choma Local Area Network;
- (iii) Contract for the provision of air travel services to the National council for Construction on a one-year renewable contract;
- (iv) Purchase of a mobile-web application for NCC meant to provide information to Contractors on the NCC Registration process as well as to update all registered Contractors on their registration status;

- (v) Provision of a medical insurance scheme to NCC staff and their immediate families; and
- (vi) Servicing and repair of training equipment.

2.4.5 Information, Communication and Technology

The key activities that were undertaken included:

1. Development of NCC portal and Online Contractor Registration system;
2. Virtualisation of the NCC ICT system Infrastructure on the Microsoft windows Server 2012 Datacentre Platform.
3. Installation and implementation of NCC Windows Server domain controller for improved system security ;
4. Installation and implementation of Microsoft Exchange Mail server system for HQ and Regional Offices;
5. Implementation of Outlook Anywhere and web access for mobile users;
6. Implementation of Exchange ActiveSync for mobile devices;
7. Installation and Implementation of in-house Web Application and Mobile Application Servers to provide a platform for the NCC portal;

2.5 Construction Materials Testing Laboratory

The Unit is responsible for testing construction materials to enhance to quality assurance in the construction industry. The services are open to Government institutions, Consultants, contractors as well as the general public.

The following activities were undertaken during the period under review:

1. Construction of Laboratory Building.

The World Bank approved funding for the construction of the proposed Laboratory building at the National Council for Construction secretariat. NCC produced Architectural drawings and bills of quantities that were submitted to the bank for review.

2. Laboratory Restocking.

NCC acquired a nuclear density gauge for the laboratory to be used in the field to measure compaction levels of road pavement layers and other earthworks. This is part of the laboratory restocking exercise to ensure that the Laboratory is equipped with modern materials testing equipment.

3. Delivery of training in conjunction with the construction school.

Laboratory staff was involved in conducting training under the construction school. The following courses were conducted:

- (i) Materials testing course
- (ii) Road Construction and Maintenance Supervision
- (iii) Land Surveying
- (iv) Auto CAD and
- (v) Civil Engineering processes

4. Capacity building of Laboratory staff.

One member of staff successfully completed a course in Teaching Methodology from the Technical and Vocational Teachers College in Luanshya. The knowledge gained will be used to enhance training in the construction Materials testing course and any other relevant training with the Construction school.

5. Testing of Construction Materials.

The Laboratory undertook construction Materials testing for both private and Government projects. Table 9 shows the tests conducted during the period under review.

Table 9: Material tests conducted in 2017

Contractor/Client	Project	Location	Type of test	Quantity
Ng'andu Consulting Limited	Periodic maintenance of Ndola Kitwe dual carriage way	Ndola/Kitwe	Skid Resistance measurements	65
Parkson Home Roofing Tiles	Manufacture of roofing tiles	Twin Palm, Lusaka	Water absorption	2
			Permeability	2
			Transverse strength	5
Department of Water Resources Development	Construction of Nabowa Dam	Kaoma	Sand replacement test	5
			Proctor test(Maximum, dry density and optimum moisture content)	1
			Nuclear density test/point	10
Pangan Works Limited	Construction of access road-Millennium challenge account	Lusaka	California Bearing Ratio(CBR) test	1
			Proctor test(Maximum dry density and optimum moisture content)	1
			Sieve analysis	1
Dr. Consity Mwale	Meanwood-Residential	Lusaka	Strength of 8'' concrete blocks	1set
Dasma general dealers	Construction of Sigubu Dam	Monze	Sand Replacement Test Proctor Test (maximum dry density and optimum moisture content)	2
			nuclear density per point	4
China National Complete Engineering Cooperation	Construction of Petauke General Hospital	Petauke	Crushing of 150 x 150 mm Concrete cubes per set of three	156
			Crushing of 70 x 70 mm Concrete cubes per set of three	13
			Strength of Concrete blocks set of ten 6 inch	1set
			Strength of Concrete blocks set of ten 8 inch	1set
Workman Construction Zambia Limited	Construction of eye clinic Kabwe General Hospital, car park	Kabwe	Standard Proctor Test (maximum dry density and optimum moisture content)	1
			Nuclear density per point	4
China National Complete Engineering Cooperation	Construction of Petauke General Hospital	Petauke	Standard Proctor Test (maximum dry density and optimum moisture content)	2
			Maximum Dry Density, Optimum moisture content and Relative Compaction.	8

2.6 Internal Audit

The unit continued to provide independent and objective assurance as well as consulting services to the Board of Directors and Management. Through assurance services, the unit assists the Board of Directors and Management to deliver the mandate of the NCC by ensuring existence of adequate and effective internal controls, risk management and governance systems.

The unit also ensures that policies and procedures are adequate and effective in light of NCC's risk landscape. Further, the unit assesses the effectiveness of anti-fraud programs implemented by Management and investigates cases of alleged fraud and other impropriety.

In 2017, the unit undertook sixteen audits. The internal audit assignments resulted in audit reports detailing significant vulnerabilities in our systems. The reports also provided recommendations of appropriate action plans to reverse the vulnerabilities. Internal Audit and Management agreed on the action plans with the former continuing to implement the plans. Internal audit continued to monitor implementation of the action plans.

2.7 Business Development

The Business Development unit undertook the following activities:

2.7.1 Establishment of a Plant Pool Hire facility: Management approved the establishment of a Plant Pool Hire facility to be under the Business Development unit. The main goal of this project is to contribute to build capacity of the local contractors in delivering construction projects within the required timelines, cost and quality. This will be attained by availing and allowing ease of access to necessary plant and equipment. Alongside, the project also seeks to continue facilitating skills development in Earth Moving Plant Operator training and mechanics and contribute to sustainable revenue generation for the NCC.

2.7.2 Launch of the Survey Report of the Zambian Construction Industry: The report of the Survey of the Zambian Construction Industry was launched by the Permanent Secretary for the Ministry of Housing & Infrastructure Development at Golden Peacock Hotel. The report aims to provide vital statistics to help players make informed decisions on investment choices, Policy, Market development and competition and general trends obtaining in the Zambian Construction industry.

2.7.3 Collaboration with Strategic Partners

The World Bank Improved Rural Connectivity Project

The World Bank advanced a \$200m loan facility to the government of Zambia for the construction and rehabilitation of 4,300km of rural roads in 6 provinces.

Under this project, the Business Development unit spearheaded implementation activities of the Labor Intensive Policy Mainstreaming component in the Zambian Construction Industry with an approved Budget of \$ 500,000. Implementation activities shall continue in 2018 and include among others the following:

- (i) Development of Terms of Reference for the engagement of Consultants to work on Labor Intensity Factors;
- (ii) Sensitization activities in LIT; and
- (iii) Implementation plan to guide the policy roll out.

2.7.4 Bench Marking Tours

Bench Marking Study Tours to National Construction Authority (NCA), Kenya and National Construction Industry Council (NCIC), Malawi were undertaken. The unit facilitated 2-study tour visits to the above named construction regulators in the region.

The Objective of the study tours was to learn the technical details of administering the construction Levy from countries that have enforced it such as Kenya and Malawi. NCC through the new construction bill intends to introduce the construction levy

The construction levy is deemed as a more sustainable funding mechanism to enable enhanced training and regulation of the construction industry.

2.8 Public Relations

NCC participated in the 11th Southern Tourism and Agricultural Commercial Show 11th Southern Tourism Agricultural and Commercial Show in Livingstone from 13th to 16th July 2017. The Show was held under the theme “Promoting a Green Economy”. NCC won 1st Prize in the Regulatory Agencies Category.

NCC also participated in the Infrastructure Symposium which was hosted by the Ministry of Housing and Infrastructure Development at the Mulungushi International Conference Centre. NCC presented to the main hall and mounted an exhibition showcasing activities and services offered by NCC.

The Public Relations Section also preoccupied itself with the following activities:

- a) Issuance of 5 Press releases and various appearances on ZNBC TV1, Hot FM and Q-FM in relation to the issued statements;
- b) Appearances on a series of scheduled programmes on Diamond TV which aired on Mondays;
- c) Airing of spot advertisements on ZNBC Radio 4 relating to The Construction School, NCC activities and Registration and Regulation;
- d) Facilitating airing of a documentary on the RRMP on ZNBC TV;
- e) Placement of announcements on the various radio and television stations around the country, these announcements mainly related to the various courses offered by the construction school in the 10 provinces; and
- f) Placement of various notices in the daily national and private newspapers.

The Public relations section also produced and distributed license disk holders and tyre covers to various stakeholders. The license disk holders were distributed to contractors and also at various Post Offices where Road Tax Certificates are issued.

2.9 Integrity Committee

NCC initiated the establishment of an Integrity Committee in 2013. The Committee was established with the help of the Anti-Corruption Committee of Zambia. The Integrity Committee is an in-house vehicle used to cultivate a culture of zero tolerance to corruption in the organisation. The Committee undertook the following activities in 2017:

- 1. Organising for Integrity Development** - Training of all Integrity Committee members by the Anti-Corruption Commission in Siavonga in May and June 2017. The training also included members from other Integrity Committees
- 2. Collaborative Partnerships** - NCC visited the Zambia Revenue Authority Integrity Committee and the ZESCO Limited Integrity Committee. During the visits we shared experiences and best practices.
- 3. ACC Sensitisation Workshops** – The Anti-Corruption Commission held workshops for staff at NCC at Head Office from 15th – 17th November 2017. Further workshop were held for the staff at the Southern Regional Office in Choma on 11th December 2017 and for staff at the Northern Regional Office in Kitwe on 13th December 2017. The Workshop was aimed at sensitizing staff on corruption and its effect in Zambia. The workshops was in the form presentations and plenary sessions. The NCC Integrity Committee also made presentations of a number of Polices such as the Code of Ethics and Gifts & Bequest.
- 4. Human Resource Management** - A representative of the NCC Integrity Committee was part of the shortlisting and interviews for staff recruitment. This was aimed at ensuring that the laid down procedures were being adhered to in the recruitment process.
- 5. Procurement Management** – A representative of the NCC Integrity Committee was part of the tender opening and bid evaluation meetings. This was aimed at ensuring that the laid down procedures were being procurement of goods, services and works.
- 6. Commemoration of International Anti-Corruption Day** – The NCC Integrity Committee was part of the organizing Committee of the International Anti - Corruption Day. Further the NCC Integrity Committee was part of the staff from NCC that participated in the celebrations to mark this day on 9th December 2017.

Section 3:

Financial Statements

National Council for Construction

Financial Statements

For the year ended 31 December 2017

CYMA

Chartered Public Accountants & Management Consultants

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Council Members' Report

The Council Members of the National Council for Construction (NCC) have the pleasure in presenting their report and audited financial statements for the year ended 31 December 2017.

Council Members

The Members of the Council during the year were as follows:

	NAME	ORGANISATION
1.	Mrs. Roseta M. Chabala - Chairperson	Zambia Association of Manufacturers
2.	Eng. Danny Mfune	Permanent Secretary-Ministry of Housing and Infrastructure Development.
3.	Mr. Chikwanda Musonda	Permanent Secretary-Ministry of Finance
4.	Mr. Amos Malupenga	Permanent Secretary-Ministry of Local Government
5.	Mr. Josiah Simachela	Attorney General S.C- Ministry of Justice
6.	Hon. Isaac Banda	Any Other Person appointed by the Minister
7.	Mr. Zhang Jian	Association of Building & Civil Engineering Contractors
8.	Mrs. Catherine M. Kanyensha	Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA)
9.	Arch. Mpangela T. Nkonge	Zambia Institute of Architects
10.	Mr. Edward Mpepo	National Association for Medium & Small Scale Contractors
11.	Mr. Allen Polito	Energy Regulation Board
12.	Dr. Michael Mulenga	University of Zambia, School of Engineering
13.	Mr. Michael Chileshe	Surveyors Institute of Zambia
14.	Mrs. Margaret L. Lungu	Zambia Bureau of Standards
15.	QS. Matthew Ngulube	Executive Director – NCC

Senior Management

QS. Matthew Ngulube	Executive Director
Morgan Chiselebwe	Director Finance and Administration
Chance Kaonga	Principal Construction School
Ernest Nshindano	Director Registration and Regulation
Mwenya Kapasa	Legal Counsel

Council Members' Report - Continued

Ownership and principal business of the Council

The National Council for Construction is a body corporate established under the National Council for Construction Act No. 13 of 2003. The principal activities of the Council are: to promote the development of the construction industry by regulating and assessing the performance Contractors and conducting training of persons in the Construction Industry in Zambia.

The company's results

	2017	2016
Income	<u>57,367,586</u>	<u>50,760,481</u>
Expenditures	<u>61,819,293</u>	<u>66,742,280</u>
(Deficit)/Surplus	<u>(4,451,708)</u>	<u>2,212,904</u>

The Council recorded a deficit of K4,4 million in 2017 compared to a deficit of K2,2 million in 2018.

Average number of employees and their total remunerations

The average number of employees during the year was 97 (2016: 97). The employees' total remunerations amounted to K17.5 million (2016: K18 million.)

Health, Safety and welfare of the employees

The Council complied with all statutory regulations in relation to Factories and Public Health Act.

Going concern

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

The validity of this assumption depends on the Government of the Republic of Zambia's continued support and the Council's ability to generate its own revenues from registration, regulation as well as training.

If the council were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise and reclassify fixed assets as current assets.

Other material facts, circumstances and events

The Council members were not aware of any material facts, circumstances or events which occurred between the reporting date and this report which might influence an assessment of the financial position of the Council.

The financial statements on pages 7 to 22 were approved by the Directors.


.....
Mrs Roseta M. Chabala
Council Chairperson


.....
QS. Matthew Ngulube
Executive Director

Council's Responsibilities and Statement

Section 14 of the National Council for Construction Act No. 13 of 2003 requires the Council members to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Council and of the Statement of Comprehensive Income of the Council and its cash flows for that year.

The Council Members' responsibility includes:

- (i) Designing and implementing internal controls relevant to the preparation and presentation of financial statements that are free from material misstatements whether due to fraud or error;
- (ii) Selecting and applying suitable accounting policies;
- (iii) Making estimates that are reasonable in the circumstances;

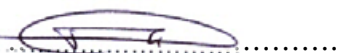
Section 13 of National Council for Construction Act No. 13 of 2003 requires the Council members to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Council and of the Statement of Comprehensive Income of the Council and its cash flows for that year. It also requires the Council members to ensure that they keep proper accounting records that disclose accurately, the financial position of the Council. They are also responsible for safeguarding the assets of the Council.

In the opinion of the Directors:

- (i) The Statement of Comprehensive Income is drawn up so as to give a true and fair view of the loss of the Council for the year ended 31 December 2017;
- (ii) The Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Council as at 31 December 2017.
- (iii) There are reasonable grounds to believe that the Council will be able to pay its debts as and when they fall due.
- (iv) The financial statements have been prepared in accordance with the International Financial Reporting Standards and are in compliance with the National Council for Construction Act No. 13 of 2003.

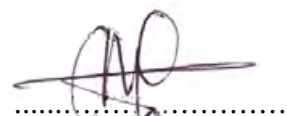
Approval of the Financial Statements

Consequently, the financial statements on pages 29 to 42 were approved by the Council of Members at a Council meeting held on 16th April, 2018 and were signed on its' behalf by:



Mrs Roseta M. Chabala

Council Chairperson



QS. Matthew Ngulube

Executive Director

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AUDITORS' REPORT

To the Members of: National Council for Construction

Opinion

We have audited the financial statements of the National Council For Construction, which comprise the statement of financial position as at 31st December 2017, and the comprehensive statement of income, statement of changes in capital and statement of cash flows for the year then ended, and the 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 the Council as at 31st December 2017 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and are in compliance with the National Council for Construction Act No. 13 of 2003.

Report on other Legal and regulatory requirements

In accordance with National Council for Construction Act No. 13 of 2003, we report that, in our opinion, the required accounting records, other records and registers required by the Act have been properly kept in accordance with the Act.

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 Council's in accordance with the International Ethics Standards Board for Accountants' code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for other information. The other information comprises information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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 Directors

The Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, directors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern using the going concern basis of accounting unless directors either intend to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are as a whole are free from material misstatement, 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 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 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 judgment and maintain professional scepticism 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 the override of internal control.
- ii) 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 Council's internal control.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Council'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 Council's to cease to continue as a going concern.

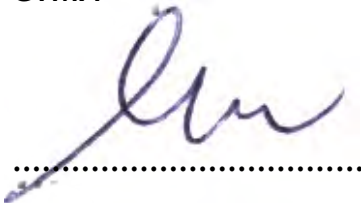
- v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- vi) Obtain sufficient appropriate audit evidence regarding the financial information of the Council activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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 internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CYMA



.....
Chintu Mulendema

Managing Partner



.....
Date

Membership Practicing Certificate Number 0000269


Statement of Comprehensive Income`

	Notes	2017	2016
INCOME			
Grants	10	6,312,881	5,676,175
Fees	11	48,587,232	42,874,877
Other Income	12	2,452,291	1,105,438
Interest Income	13	15,182	1,103,991
Total income		<u>57,367,586</u>	<u>50,760,481</u>
Operating Expenditures			
Administrative expenses	14	<u>(61,819,293)</u>	<u>(66,742,280)</u>
Deficit for the year		(4,451,708)	(15,981,799)
Other Comprehensive Income			
Revaluation		-	18,194,703
Total Comprehensive Surplus/ (deficit) for the Year		<u>(4,451,708)</u>	<u>2,212,904</u>

Statement of Financial Position


	Notes	2017	2016
ASSETS EMPLOYED			
Property, Plant and Equipment	3	<u>38,256,852</u>	<u>42,210,265</u>
Current Assets			
Receivables	5	2,828,633	3,199,831
Bank and Cash Balances	6	9,670,365	7,819,838
		<u>12,498,999</u>	<u>11,019,669</u>
Total Assets		<u>50,755,851</u>	<u>53,229,934</u>
EQUITY AND LIABILITIES			
Funds Employed			
Accumulated Fund		4,089,832	8,541,540
Capital Grant		8,857,055	10,086,091
Revaluation Reserve		18,194,703	18,194,703
		<u>31,141,590</u>	<u>36,822,334</u>
Current Liabilities			
Trade and other payables	7	457,159	667,302
Finance lease	8	480,085	-
Deferred Income	9	17,994,273	15,740,296
		<u>18,931,517</u>	<u>16,407,598</u>
Long term Liabilities			
Finance lease	8	682,745	-
		<u>682,745</u>	<u>-</u>
Total Equity and Liabilities		<u>50,755,851</u>	<u>53,229,932</u>

These financial statements on pages 7 to 22 were approved by the Council of Members at a Council meeting held onand were signed on its' behalf by:


.....

Mrs Roseta M. Chabala
Ngulube

**Council Chairperson
Director**


.....

QS. Matthew

Executive

Statement of Changes in Equity

	Accumulated Fund K	Capital Grant K	Revaluation Reserve K	Total K
AS at 1 January 2016	24,523,339	7,097,625	-	31,620,964
Valuation surplus			18,194,703	18,194,703
Additions		3,864,642		3,864,642
Amortisation	-	(876,176)	-	(876,176)
Surplus/(deficit) for the year	<u>(15,981,799)</u>	<u>-</u>	<u>-</u>	<u>(15,981,799)</u>
As at 31 December 2016	8,541,540	10,086,091	18,194,703	36,822,334
Amortisation	-	(1,229,036)	-	(1,229,036)
Surplus/(deficit) for the year	<u>(4,451,708)</u>	<u>-</u>	<u>-</u>	<u>(4,451,708)</u>
As at 31 December 2017	<u>4,089,832</u>	<u>8,857,055</u>	<u>18,194,703</u>	<u>31,141,590</u>

Statement of Cash Flows

	Notes	2017	2016
Cash flows from operating Activities			
Deficit		(4,451,708)	(15,981,799)
Adjusted For:			
Interest Received		(15,182)	(1,103,991)
Depreciation	3	4,956,139	4,086,383
Amortisation of capital grants	10	(1,229,036)	(876,176)
Write of CWIP		306,000	-
Profit on Disposal of Fixed Assets		192,159	241,914
		<u>(241,626)</u>	<u>(13,633,669)</u>
Adjusted for working capital movements			
Increase receivables		371,198	891,324
Increase/(decrease) payables		(210,143)	(304,921)
Increase receivables Deferred income		2,253,977	1,755,284
		<u>2,173,405</u>	<u>(11,291,982)</u>
Returns on investments and servicing of finance			
Interest received		15,182	1,103,991
Net Cash flows from operating activities		<u>2,188,587</u>	<u>(10,187,991)</u>
Cashflow from Investing Activities			
Property, Plant and Equipment	3	(1,766,681)	(8,380,758)
Proceeds from sale of Fixed Assets		265,794	188,482
Lease		1,162,829	-
Capital Grants		-	3,864,642
Net cash Inflow		<u><u>1,850,527</u></u>	<u><u>(14,515,625)</u></u>
Cash Movement			
Net Bank and Cash Balances at start of the year		7,819,838	22,335,463
Net Bank and Cash Balances at end of t	5	9,670,365	7,819,838
Movement in Cash		<u><u>1,850,527</u></u>	<u><u>(14,515,625)</u></u>

Significant Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.	
(a)	Basis of preparation
	<p>The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Council meets its day to day working capital requirements through funds generated from its operations and Grants from the Government of the republic of Zambia and National Road Fund Agency (NFRA)</p> <p>The financial statements have been prepared on a going concern basis on the assumption that the Council will continue in operational existence for the foreseeable future.</p> <p>The validity of this assumption depends on the Government of the Republic of Zambia's continued support and the Council's ability to generate its own revenues from Registration and Regulation as well as training.</p> <p>If the council were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise and reclassify fixed assets as current assets.</p>
(b)	Revenue recognition
	<p>Revenue represents the fair value of the consideration received or receivable, net of discounts and sale-related taxes. Revenue from sales of goods is recognised when the goods are delivered and title has passed. Revenue for services is recognised when the service has been rendered.</p> <p>Interest income is recognised on a time proportion basis when it is determined that such income will accrue to the Council.</p>
(c)	Translation of foreign currencies
	<p>Transactions in foreign currencies during the period are converted into the functional currency, Kwacha, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation, at period-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the income statements.</p>
(d)	Property, plant and equipment
	<p>All categories of property, plant and equipment are initially recorded at cost. Subsequently, they are stated at historical cost or revalued amount less depreciation.</p> <p>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 Council 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 period in which they are incurred.</p>

Significant Accounting policies (continued)			
Depreciation is calculated on the straight line basis to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life as follows:			
• Leasehold Land and Buildings	2.5%	Furniture & Fittings	25%
• Motor Vehicles	25%	Office Equipment	33%
• Laboratory equipment	25%	Workshop Equipment	25%

<p>Property, plant and equipment 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).</p> <p>The surplus on revaluation of non-current assets is credited to a non-distributable reserve. A transfer is made from this reserve to the revenue reserve each year equivalent to the difference between the actual depreciation charge for the year and the depreciation charge based on historical values.</p> <p>Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit. On disposal of revalued assets, amounts in the revaluation surplus relating to that asset are transferred to retained earnings.</p>
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(e)	Grants
	Revenue grants are recognised as income in the income statement in full on a receipt basis in the year received. Capital grants are capitalised and amortised over the depreciable life of the asset.
(f)	Receivables
	Receivables are presented in the statement of financial position net of allowances for doubtful receivables, estimated by the Council's management based on prior experience. A provision for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all the amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement.
(g)	Employee benefits
	<i>Retirement benefit obligations</i>
	The council has registered all its employees with the statutory pension scheme (NAPSA) and a private pension scheme with ZSIC Life Limited. These are both defined contribution schemes.
	A defined contribution scheme is a pension plan under which the Company pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees' benefits relating to employee service in the current and prior periods.
	The Council's contributions to the defined contribution scheme are charged to the income statement in the period to which they relate.
	Accounting policies (continued)
(h)	Provisions
	Provisions are recognised when the Council has present legal or constructive obligations as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(I) New Standards and Interpretations

A number of new standards, amendments to standards and interpretation are mandatory for the year ended 31 December 2016, and have been adopted by the Council where relevant to the Council's operations.

Many standards or amendments became effective for the first time in the current financial year. These include an amendment to IFRS10, IFRS12, and IAS 28, IFRS11 Accounting for acquisitions of interest in joint operations- Amendments to IFRS 11, IFRS 14 regulatory deferral Accounts, IAS 1 Disclosure Initiative- Amendments to IAS1 IAS16 and IAS 38 Clarification of Acceptable methods of Depreciation and Amortisation - Amendments to IAS 16 and IAS 38, IAS 16 and IAS 41 Agriculture: Bearer Plant - Amendments to IAS16 and IAS 41, IAS 27 Equity Method in separate Financial Statements- Amendments IAS 27

The nature and impact of the standards and amendments that are applicable to the financial statements of the Council are described below:

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 Council'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 Council'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 Association makes an irrevocable designation to present them in other comprehensive income.
- if the Council 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 Council's own credit risk.

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

Notes to the financial statements

1	Financial risk management objectives and policies
	<p>The Council's activities expose it to a variety of financial risks, including credit risk and the effects of changes in foreign currency exchange rates and interest rates.</p> <p>Most of the transactions for the council are carried out in Zambia Kwacha. The exposure foreign currency risk is low.</p>
2	Critical accounting estimates and judgements
	<p>Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.</p>
	(i) Critical accounting estimates and assumptions
	Property Plant and Equipment
	<p>Critical estimates are made by the Council members in determining depreciation rates for property, plant and equipment. The rates used are set out in accounting policy (d) above.</p>
	Receivables
	<p>Critical estimates are made by the Council members in determining the recoverable amount of impaired receivables.</p>
	(ii) Critical judgements in applying the entity's accounting policies
	<p>In the process of applying the Council's accounting policies, Council members have made judgements in determining whether assets are impaired.</p>

Notes to the financial statements (continued)

3 Property Plant and Equipment		Leasehold Property	Motor vehicles	Laboratory Equipment	Office Equipment	Furniture & Fittings	Workshop Equipment	Capital WIP	Total
Cost/Valuation									
At 1 January 2016	16,161,333	11,191,700	268,068	3,111,778	1,722,625	1,463,006			33,918,510
Additions	1,086,338	4,565,870	1,188,420	1,052,974	181,156			306,000	8,380,758
Revaluations	14,256,681	-	-						14,256,681
Disposals/ Adjustmen	-	(884,956)	-	(50,599)	(18,703)	(89,530)			(1,043,788)
At 31 December 2016	31,504,352	14,872,614	1,456,488	4,114,153	1,885,078	1,373,476		306,000	55,512,161
Additions		1,613,314		106,652	46,715				1,766,681
Disposals/ Adjustmen	-	(900,523)	-	(149,132)				(306,000)	(1,355,655)
At 31 December 2017	31,504,352	15,585,405	1,456,488	4,071,673	1,931,793	1,373,476			55,923,187
Depreciation									
At 1 January 2016	3,578,176	6,134,501	268,068	1,562,672	932,779	1,290,721			13,766,917
Charge for the year	416,129	2,528,916	-	794,712	291,507	55,119			4,086,383
Revaluation	(3,938,022)	-	-	-	-	-			(3,938,022)
Disposals	-	(481,382)	-	(23,767)	(18,703)	(89,529)			(613,381)
At 31 December 2016	56,283	8,182,035	268,068	2,333,617	1,205,583	1,256,311			13,301,897
Charge for the year	787,609	2,667,339	297,105	834,686	314,281	55,119			4,956,139
Disposals/ Adjustments		(541,711)		(49,990)					(591,701)
At 31 December 2017	843,892	10,307,663	565,173	3,118,313	1,519,864	1,311,430			17,666,335
Carrying Amounts									
At 31 December 2017	30,660,460	5,277,742	891,315	953,360	411,929	62,046			38,256,852
At 31 December 2016	31,448,069	6,690,579	1,188,420	1,780,536	679,495	117,165			42,210,265

Notes to the financial statements (continued)

	2017	2016
4 Surplus for the year		
Surplus is stated after charging:		
Depreciation	4,956,139	4,086,383
Audit fees	<u>127,024</u>	<u>75,233</u>
5 Receivables		
Debtors	-	-
Less provision for doubtful debts	-	-
	-	-
Prepayments and deposits	266,730	20,000
Gratuity Recievable (ZSIC Life)	1,053,848	-
Bank Interest Receivable	-	61,613
Staff Loans and Advances	<u>1,508,056</u>	<u>3,118,218</u>
	<u>2,828,633</u>	<u>3,199,831</u>
6 Cash and Cash Equivalents		
Barclays Bank Kwacha	3,188,865	2,480,410
Finance Bank Kwacha	4,754,746	3,003,393
Barclays US Dollar	8,427	13,261
Intermarket Bank Fixed Deposit	1,069,450	1,971,627
Barclays Bank Kwacha	481,788	351,147
First National Bank	<u>167,089</u>	<u>-</u>
	<u>9,670,365</u>	<u>7,819,838</u>
7 Payables		
Board Fees	78,261	21,000
Pension Contribution	105,885	-
Fuel and Lubricants	66,715	-
Maintenance of Local Area Network	114,990	-
Audit Fees	91,308	75,233
Survey Fees	-	317,608
Other Accruals	<u>-</u>	<u>253,461</u>
	<u>457,159</u>	<u>667,302</u>
8 Finance Lease Obligations		
Motor Vehicle Finance Lease	<u>1,162,830</u>	<u>-</u>
Due within 12 months	480,085	-
Due after 12 Months	<u>682,745</u>	<u>-</u>
	<u>1,162,830</u>	<u>-</u>

Notes to the financial statements (continued)

	2017	2016
9 Deferred Income		
Registration as at 31 December	<u>17,994,274</u>	<u>15,740,296</u>
Deffered income relates to registration fees paid in advance for the following year.		
10 Grants		
Road Sector Capacity building - NRFA Grant	2,997,412	1,300,000
Government Grant	2,086,433	3,499,999
Transfer from Capital Grant	<u>1,229,036</u>	<u>876,176</u>
	<u>6,312,881</u>	<u>5,676,175</u>
11 Fees		
Registration, Scrutiny and Annual Fees	47,607,563	41,844,315
Tuition Fees	<u>979,669</u>	<u>1,030,562</u>
	<u>48,587,232</u>	<u>42,874,877</u>
12 Other operating Income		
Hire of Facilities	1,372,706	576,028
World Bank	-	364,307
Green Technology Construction	595,443	386,017
Cobblestone Technology	218,103	-
Profit from disposal of assets	(192,159)	(241,914)
Other Income	62,199	-
20% Sub-Contracting	375,000	-
Rental Income	<u>21,000</u>	<u>21,000</u>
	<u>2,452,291</u>	<u>1,105,438</u>
13 Interest Income		
Bank interest	15,182	928,407
Interest on Staff Loans	-	175,584
	<u>15,182</u>	<u>1,103,991</u>
14 Administrative Expenses		
Advocacy, Sensitisation and Publicity	263,059	1,421,373
Annual skills Competition	53,288	211,412
Audit and Accounting Fees	127,024	75,233
Freight and Courier charges	81,362	103,105
Board Expenses	1,008,232	3,006,663
Building Technology course	19,500	70,894
Canteen Expenses	628,296	446,846
Capacity Building	410,164	439,174
Cleaning Materials and Groceries	595,441	266,314
Computers software and accessories	160,133	204,309
Depreciation	<u>4,956,139</u>	<u>4,086,383</u>
	<u>8,302,637</u>	<u>10,331,706</u>

Notes to the financial statements (continued)

	2017	2016
14 Administrative Expenses - Continued		
Balance B/fwd	8,302,637	10,331,706
Enforcement of construction regulations	351,649	317,524
Contractors verification expenses	593,578	1,003,147
Cobblestone Technology Course	482,734	121,203
Fuel and Lubricants	820,552	1,298,388
Graduation Ceremonies	78,833	160,479
Staff wellness	20,258	46,652
Implementation of Business Plan	348,258	222,553
NORAD Refund	-	121,992
Insurance of NCC Assets	578,487	427,679
International Construction Events	237,348	132,221
Kitwe Office Expenses	137,305	213,018
School activities & advocacy	91,585	206,676
Bank Charges	107,039	83,797
Membership to professional bodies	107,685	87,290
Monitoring Construction Activities	1,503,339	1,442,151
Motor Vehicles expenses	695,465	690,223
MOU implementation	65,737	22,663
Labour Day Celebrations	82,900	153,460
Road Sector Contractors Capacity Building (Note 12)	3,303,611	4,079,162
Other expenses	43,022	119,462
Bad Debts	-	120,000
Provincial Registration Committee Expenses	71,449	104,250
Registration expenses	422,724	360,201
Repairs and maintenance	117,890	515,276
Revision of construction standards	192,176	430,864
Security expenses	271,593	323,697
Staff costs (Note 12.2)	37,713,075	37,781,124
Stationery and Printing	862,544	991,388
Training of Trainers in EMPO Course	101,002	540,726
Telephone, Fax and email	401,728	261,175
TAVETA license	90,561	46,650
National Exhibitions and Exposure	38,351	430,263
Travel Local and International	547,449	550,017
Stakeholder Consultative Workshop	77,097	152,090
Stakeholder Sensitisation	115,959	-
Construction outlook report	-	124,428
Construction School Review Workshop	41,128	-
	<u>59,016,747</u>	<u>64,013,595</u>

Notes to the financial statements (continued)**14 Administrative Expenses - Continued****2017** **2016**

Balance B/fwd	59,016,747	64,013,595
Commemoration of Women's day	84,868	131,260
Procurement Committee	133,666	298,561
Team Building	45,625	-
Water and Electricity	116,424	105,182
Fibre Optic Subscriptions	372,133	415,436
Green Technology Construction expenses	45,025	842,388
Educational Materials	198,473	160,007
Codification of NCC new Assets	1,760	16,200
Youth Day	-	44,807
Exchange loss	830	461,258
Commemoration of National Days	-	113,260
Gender Commemoration	50,000	-
Public Service Day	12,600	32,140
International Anti-Corruption Day	32,000	28,900
Legal Management services	207,707	52,036
Corporate Social Responsibility	15,750	27,250
Consultancy Fees	306,000	-
Laboratory costs	117,334	-
Loss on Interest - Intermarket Bank	702,177	-
Finance lease charges	360,174	-
	<u>61,819,293</u>	<u>66,742,280</u>

14 Road Sector Contractors Capacity Building - NRFA Grant

Earth Moving Plant and Operators	667,636	92,760
Construction Materials testing	89,142	25,960
SME Mentorship, Placement & Tracer	-	224,542
Sector ICT	66,641	213,541
Maintenance of Training Equipment	31,668	728,412
Occupational Health and safety	97,666	8,000
Capacity Building Programme	200,050	336,939
Brick Paving Course	141,843	352,321
Road Construction and Maintenance Course	1,090,515	1,306,926
Road Construction Surveying	119,500	90,627.00
Management of Civil Engineering Processes	169,760	20,100
Provincial Training workshop	612,571	675,112
20% subcontracting	11,709	
Bank Charges	4,911	3,922
	<u>3,303,611</u>	<u>4,079,162</u>

(All amounts are in Kwacha unless otherwise stated)

Notes to the financial statements (continued)

	2017	2016
14 Administrative Expenses - Continued		
14 Staff Costs		
Salaries and Wages	17,517,312	18,033,255
NAPSA	856,637	727,280
PAYE	8,995,374	8,264,330
Pension Contribution	1,180,374	1,152,507
Group Life Assurance	587,116	483,386
Group personal accidents	14,043	14,043
Medical Expenses	1,032,686	974,413
Leave Benefits	2,078,620	1,199,757
Staff welfare	367,860	319,599
Workers compensation	43,753	43,754
Commutation	-	-
Gratuity Contributions	5,000,000	6,520,598
Recruitment cost	21,699	36,566
Internship costs	17,601	11,636
	<u>37,713,075</u>	<u>37,781,124</u>

15 Contingent Liabilities

There were no known contingent liabilities as at the year end.

16 Events after reporting date

There has not been any material matter or event that has arisen since the year end up to date of approval of these financial statements which would affect substantially the operations of the entity that requires disclosure or adjustment

17 Capital Commitments

There were no capital commitments in place as at 31 December 2017 (2016: none)

18 Comparative Figures

Comparative figures have been reclassified where necessary to afford meaningful.



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