



**NATIONAL COUNCIL
FOR CONSTRUCTION**

2014

**ANNUAL
REPORT**





NATIONAL COUNCIL FOR CONSTRUCTION

ANNUAL REPORT 2014

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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

- Accountability
- Innovative
- Integrity
- Transparency
- Zero Tolerance to corruption



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Acronyms

ACEZ	Association of Consulting Engineers in Zambia
AVI	Australian Volunteers International
CPD	Continuous Professional Development
EIZ	Engineering Institute of Zambia
ILO	International Labour Organisation
NCC	National Council for Construction
RRMP	Road Rehabilitation and Maintenance Programme
TEVET	Technical Education and Vocational Entrepreneurship Training
TEVETA	Technical Education and Vocational Entrepreneurship Training Authority
ZABS	Zambia Bureau of Standards
ZAM	Zambia Association of Manufacturers
ZGJP	Zambia Green Jobs Programme
ZIA	Zambia Institute of Architects

Chairperson's Statement



I am pleased to present the 2014 Annual Report for National Council for Construction (NCC). NCC is a statutory body established by the National Council for Construction Act No. 13 of 2003. The mandate of NCC is to monitor and regulate all construction activities in the country. This is done through registration, regulation, and capacity building of contractors.

I would like to take this opportunity to sincerely congratulate and thank Government, cooperating partners and stakeholders for their support towards the construction sector in 2014. I would also like to thank the Board and Management of NCC for their invaluable contributions during the year.

I further wish to applaud and congratulate the Board, Management and Staff for their commitment to carrying out their duties diligently and to espousing our core values in their everyday business.

The year under review was characterized by a number of significant achievements which I intend to highlight.

As a way of improving operations, NCC commenced the process of the review of the National Council for Construction Act No. 13 of 2003 in order to align it to international best practices. The reviewed Act is expected to address the gaps which have been identified by various stakeholders.

NCC registered a total of 4,641 contractors with 95.6 percent of these being citizen owned companies. Most of these contractors were registered in the lower grades with Grade 6 accounting for 55 percent of all registered contractors.

In October, NCC opened the Southern Regional Office in Choma, making it easier for contractors and other stakeholders in the Southern and Western provinces of Zambia to access services.

Provincial training workshops were conducted in 8 provinces with the aim to improve the skills of construction professionals and further improve the performance of the local construction industry. The provincial training workshops were held with 349 small scale contractors this was against a target of 400. In addition, various Technical Education, Vocational, Entrepreneurship Training Authority (TEVETA) accredited skills awards programmes were offered with a total of 462 students trained in 11 courses.

During the period under review, the staff compliment increased from 74 to 89. NCC recruited a Legal Counsel, Business Development Manager and a number of Monitoring and Compliance Specialists.

The development of the 2014 - 2018 Business Plan was finalized and approved. The 2009 - 2015 Strategic Plan was extended to 2018 to be implemented alongside the approved Business Plan.

In conclusion, I wish to urge my Board, Management and Staff to work even hard in the coming year to ensure that we soar to even greater heights in 2015.

I now present to you a summary of activities and the financial statements for 2014.

Eng. Patrick Kampengele
Board Chairperson



Executive Directors Remarks

I would like to thank the Board, Management and Staff of NCC for their support during the period under review. The teamwork exhibited led to attainment of set milestones for the year.

NCC had a number of achievements during the period under review with the notable ones being the commencement of the review of the National Council for Construction Act and the review and adoption of our Strategic and Business Plans to ensure that 2015 begins on a positive note and that we are all working towards achieving our goals.

It is anticipated that the adopted Strategic and Business Plans will guide us in transforming the construction industry by 2018 to one that delivers value to clients and stakeholders.

This report outlines the milestones achieved thus far and highlights some of the challenges ahead.

Of particular note, NCC stepped up its efforts to boost compliance through enhanced monitoring activities in 2014. Monitoring is critical in ensuring value for money in the infrastructure spend on development projects. NCC also conducted a number of strategic training programmes to meet the critical shortage in essential skills corresponding to the demand in the industry. NCC continued to engage with national and international agencies in order to provide best practices in the Zambian construction sector.

In order to enhance participation of local contractors in higher grades, as of 2015, NCC will not process new applications for foreign companies in Grade Three. Foreign contractors will now only be allowed to register in Grades One and Two. In addition, to strengthen monitoring it is expected that the Statutory Instrument on Registration of Projects will also be enacted. This will mandate all contractors to provide data on the projects they are undertaking, allowing us to have a comprehensive database and effectively monitor contracts.

I wish to acknowledge the valuable strategic direction provided by the Board chairperson and his team. I would also like to thank the Minister in the Ministry of Transport, Works, Supply and Communications for the leadership and support continuously provided to NCC. Acknowledgement of chairman's statement

A handwritten signature in black ink, appearing to read 'Charles Mushota', written over a horizontal line.

Eng. Charles Mushota
Executive Director

NCC BOARD OF DIRECTORS

The National Council for Construction Act No. 13 of 2003 provides for the establishment of a Board. The full Board was constituted by the Minister of Transport, Works, Supply and Communications, Hon. Yamfwa Mukanga in March 2014. The Board comprised of members representing the following institutions:



Eng. Patrick M. Kampengele
Board Chairperson
Association of Consulting Engineers of Zambia



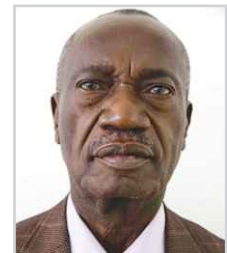
Mrs. Roseta M. Chabala
Vice Chairperson Zambia Association
of Manufacturers



Mr. Charles Sipanje
Ministry of Transport, Works,
Supply and Communications



Mrs. Pamela C. Kabamba
Ministry of Finance and National
Planning



Mr. Stanford Msichili
Ministry of Local Government
and Housing



Mr. Josias Hantebe Simachela
Ministry of Justice



Mrs. Hilda Kawesha Mwansa
Contractor



Mr. Michael Nyirenda
Association of Building and Civil
Engineering Contractors



Mrs. Mwangala M. Lethbridge
Zambia Institute of Architects



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



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



Mrs. Agnes Banda Phiri
Energy Regulation Board



Dr. Fredrick Chileshe
Copperbelt University, School of
Mines



Mr. Michael Chileshe
Surveyors Institute of Zambia



Mrs. Peggy Chituta
Zambia Bureau of Standards



Eng. Charles Mushota
Executive Director

NCC Management



Eng. Charles Mushota
Executive Director



Eng. Francis Mwape
Principal – Construction School



Eng. Golden Makayi
Director – Registration and
Regulation



Mr. Morgan Chiselebwe
Director – Finance and Administration



Ms. Mwenya Kapasa
Legal Counsel



Mr. Lucky Muntanga
Manager – Internal Audit



Mr. Brian Mutale
Manager – Business Development

1.0 Introduction

NCC is pleased to present the Annual Report for 2014. Presented in this report, is a summary of NCC's key activities and organizational outcomes achieved in 2014. The key activities and outcomes were driven by the institutional mandate and responsibilities as reflected in the NCC Act and the Strategic and Business Plan.

Key activities for the period under review are summarized based on activities undertaken in the four Departments namely Registration and Regulation, Construction School, Finance and Administration and Legal Services.

Corporate Governance

National Council for Construction (NCC) is committed to good corporate governance. NCC has put in place a Board Charter to formalise its principles and practices of governance to ensure accountability, responsibility and transparency.

The NCC Board comprises 16 members. All are non-executive members except for Eng. Charles Mushota who is NCC's Executive Director. The Board comprises representatives from the industry, academia and ministries. The diverse representation of the NCC Board provides an appropriate range of experience, skills, knowledge and perspectives to enable it to play an active role in guiding NCC to achieve its mission and vision.

During the period under review the NCC Board held four ordinary quarterly meetings. In addition two extraordinary meetings were held. The NCC Board met to evaluate, approve and monitor plans and budgets of NCC. The NCC Board also provided guidance to the work and performance of management and assessed the financial health of NCC.

As per provisions of the National Council for Construction Act, four committees have been established comprising members of the NCC Board and key co-opted members to support the work of the full board. The committees are Audit and Risk Management, Finance and Administration, Education and Training and Registration and Regulation. Each Committee meets once every quarter.



2.0 Registration and Regulation

The Registration and Regulation Department provides for the registration of contractors and regulation of the construction industry in Zambia. Among its objectives, the department is charged with:

- Conducting annual registration of contractors, manufacturers and suppliers of construction materials and equipment;
- Regulating the behaviour and promoting minimum standards and best practices of contractors;
- Promoting and maintaining competition among professionals or other persons engaged in the construction industry and promote efficiency and economy; and
- Promoting in liaison with other bodies in construction related fields, development issues relating to the construction industry.

Activities carried out during the period under review included:

2.1 Contractor Registration

A total of 4,641 contractors were registered by 31st December 2014 for the 2013/2014 registration period which commenced in October 2013. Out of this number 95.6 percent were registered as citizen owned contracting firms while 4.4 percent were registered as foreign contractors. In the 2012/2013 period, NCC registered a total of 5,138 contractors during the same period. This represents a decrease of 7.32 percent of registered contractors for the 2013/2014 registration period compared to the 2012/2013 period. This drop can be attributed to a number of contractors not renewing their registration certificates due to inability to access contracts. Figure I provides a three year trend of registered contractors.

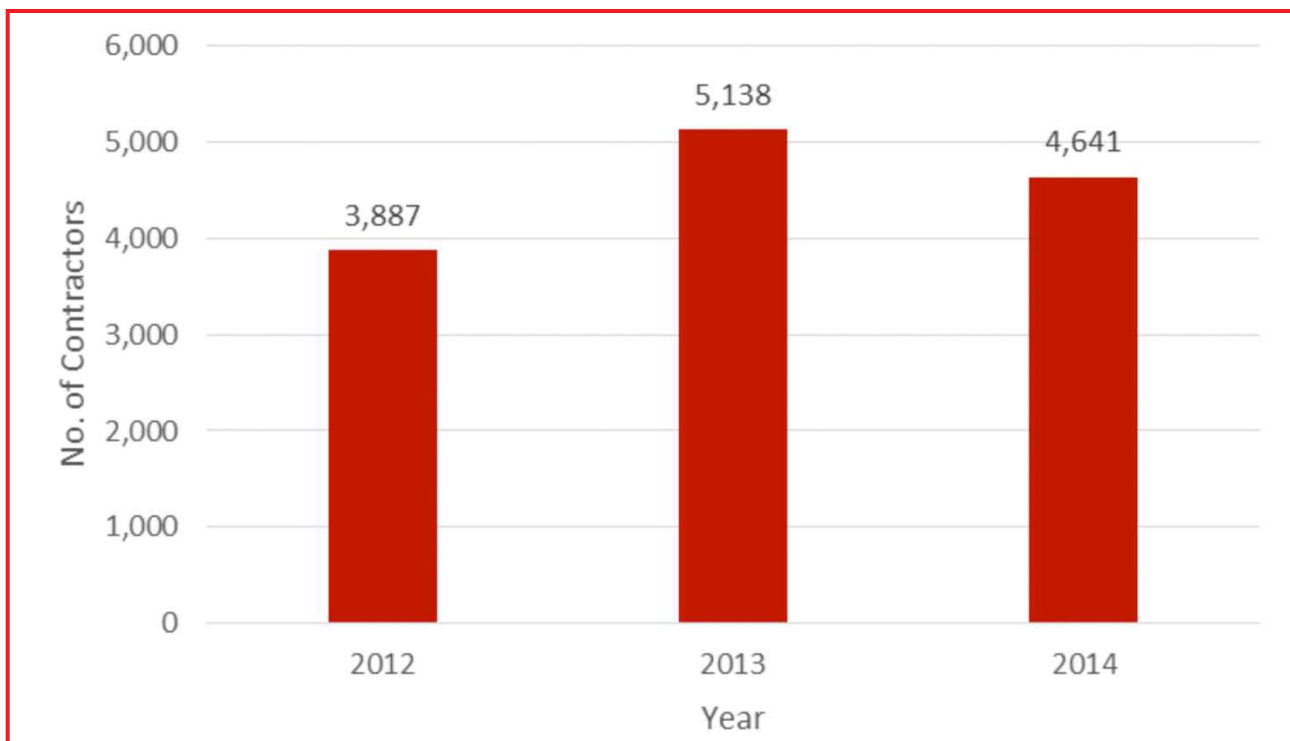


Figure I: NCC Contractor Registration Statistics for the 2012 to 2014 Period
Source: 2012 and 2013 Annual Reports and 2014 Registration and Regulation Reports

Government however continued in its commitment towards infrastructure development through increased budgetary allocation to infrastructure projects. Figure II shows the contribution of the construction sector to the Gross Domestic Product over a period of three years.

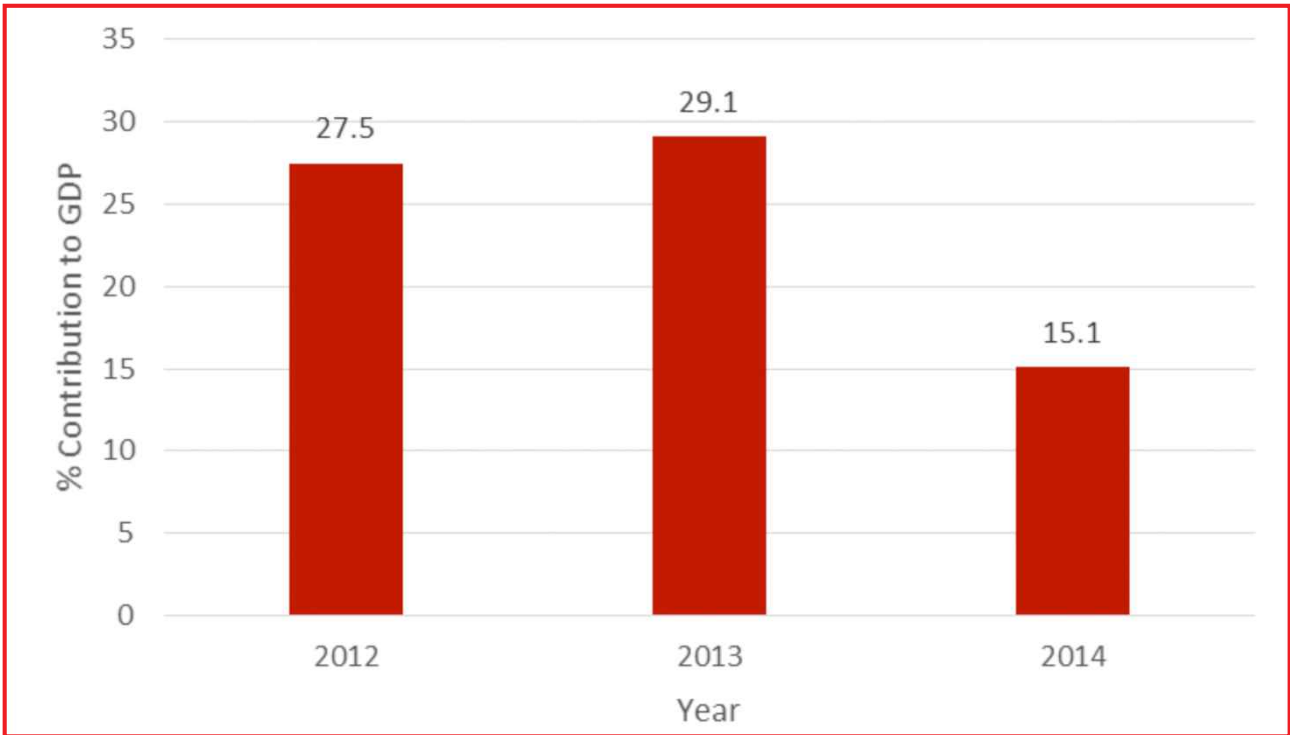


Figure II: Percentage Contribution of Construction to Gross Domestic Product

Source: Africa Economic Outlook Reports 2013, 2014 and 2015

Figure III shows that most contractors are registered in Grade Six accounting for 55 percent of all registered contractors during the 2013/2014 registration period. Grade Two recorded the lowest number of registrations with 2 percent. It can be noted that Grade Six continues to record the highest number contractors. It is the entry point for Zambian contractors and one of the easier categories to register into due to less requirements.

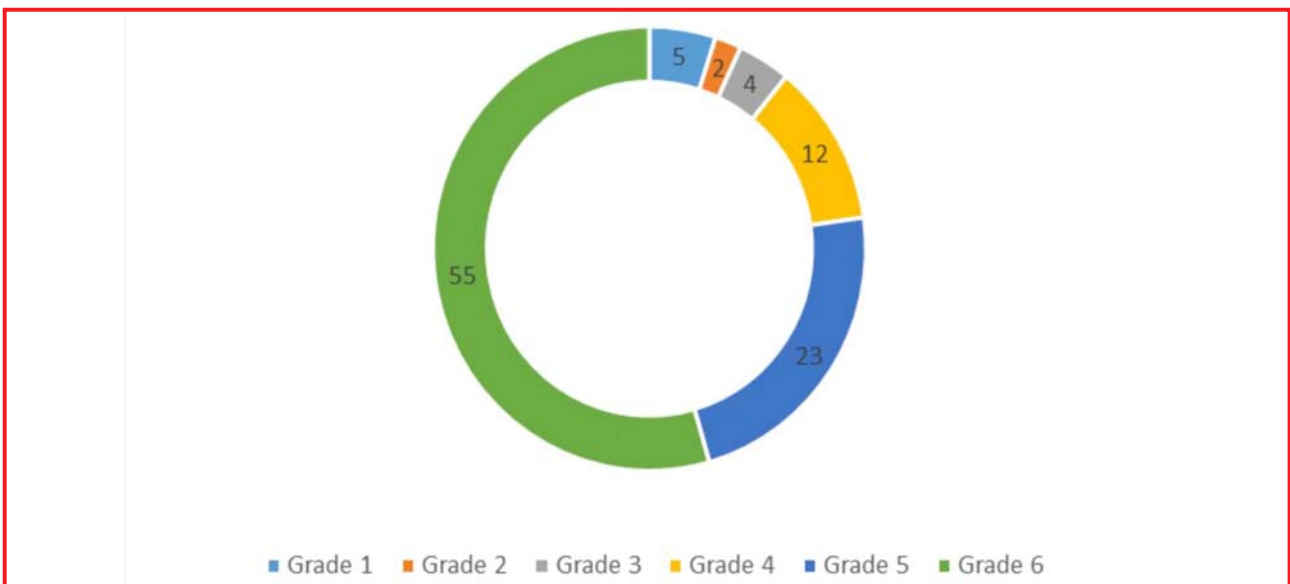


Figure III: Percentage Registered Contractors for the 2013/2014 Registration Period by Grade

Figure VI provides an illustration of the registered contractors by Category. It can be noted that 2,374 contractors representing 58.9 percent were registered in the Building and Housing Category. This trend continues as in previous years where building and housing records the highest number of Contractors. This can be attributed to issues such as the fact that there are more contracts available in that category.

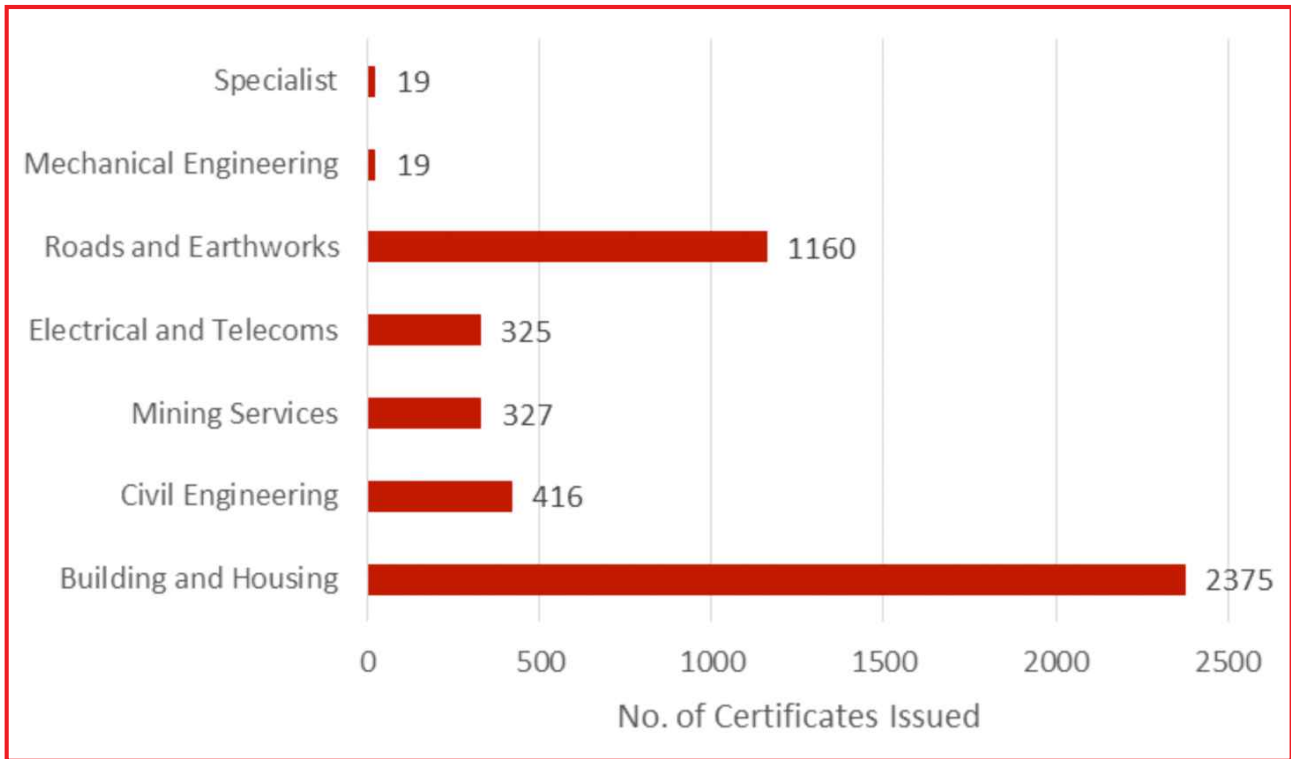


Figure IV: Registered Contractors for the 2013/2014 Registration Period by Category

During the period under review, NCC upgraded 8 contractors and downgraded 23 contractors. In addition, over 150 facilities were charged for various offences, such as failure to comply to safety regulations.

NCC also registers suppliers and manufacturers of construction materials and equipment. During the 2013/2014 period, a total of 43 companies registered with NCC.

2.2 Monitoring of Construction Projects and Enforcement of Regulations

NCC continued to monitor the performance of contractors. Monitoring and Compliance inspections for the period under review took place between April and December 2014. Inspections are generally not undertaken in January to March due to heavy rains, inaccessibility of some areas and contractors going into recess during in this period.

Inspections of 759 sites were undertaken during the period under review across the 10 provinces of Zambia. Each of the inspected sites was estimated to employ an average of 61 people. The sites inspected revealed various findings ranging from abandoned project sites, inadequate observance of safety regulations, inadequate supervision and engagement unregistered contractors. NCC continues to use different measures within the confines of the law to correct what is within its mandate and engaged relevant authorities for issues outside its mandate.

3.0 Construction School

The core function of the School is to build capacity by providing training, coordinate, improve and facilitate accessibility to training in the construction industry for persons engaged in the construction industry.

3.1 Skills Award Courses

During the period under review a total of 462 students underwent training in various courses offered at the Construction School this is against a target of 458. Table I gives an illustration of the various courses conducted in 2014 and enrolment statistics.

Table I: Courses Conducted in 2014 and their Enrolment

No	Course	No. of Participants	Target No.
1	Basic Land Surveying	19	30
2	Brick Paving Technology	110	90
3	Construction Materials Testing	55	36
4	Earth Moving and Plant Operators	28	32
5	Management of Civil Engineering Construction Processes	21	30
6	Occupational Safety Health and Environment	126	120
7	Road Construction and Maintenance Supervision	103	120
	Total	462	458

Source: NCC Quarterly Reports, 2014

Enrolment in 2014 went down by about 18 percent compared to 2013 where the Construction school enrolled 563 students. This downward trend was attributed to the change in fee structure. NCC also conducted 8 provincial training workshops targeted at medium and small scale contractors. The focus of these workshops was to provide contractors with knowledge on principles of contract administration, pricing and bidding, occupational health and safety and preparation of responsive bids. Other areas covered included issues relating to integrity and corruption in the sector, green building and financial literacy.

3.2 Resource Centre

NCC commenced the relocation, reorganisation and rehabilitation its Resource Centre. The purpose is to ensure that it meets the demands of changing information requirements and becomes a useful resource for the construction industry in Zambia. The resource centre is also liaising with other stakeholders in stocking of information materials. It is expected that the Centre will be ready for members of the public in 2016.

3.3 External support from Australia Volunteer International (AVI)

During the period under review, two volunteers from Australia were received. Mr. Travis Thom who is a Green Building Coach and Mr. Michael Keane who is a Roads Engineer Trainer. Mr. Keane is expected to assist the school in training in Road Technologies. Mr. Thom is expected to help NCC develop programmes

aimed at greening the construction industry. Mr. Thom will provide technical support for the establishment of a Green Building Association within Zambia. He will provide training of trainers in green building technologies and skills that empower youth and promote energy efficiency and renewable energy in the built environment and Build the capacity of NCC staff to effectively manage and deliver all activities proposed within the Zambia Green Jobs Programme (ZGJP) implementation agreement between ILO and NCC.

3.4 Continuous Professional Development (CPD) Consultancy

University of Zambia were engaged to undertake a study aimed at stakeholder driven improvement of the curriculum. The study was undertaken through hosting industry performance review workshops with various audiences. This was a result of the realisation that one of the great challenges of the construction sector is the technical and managerial skills of contractors and consultants. The study was financed by WorldBank under the Road Rehabilitation and Maintenance Programme (RRMP).

3.5 National Skills Competition

NCC collaborated with the Engineering Institution of Zambia (EIZ) and TEVETA to conduct regional skills competitions in Southern, Central, Copperbelt and Eastern Provinces. Selection of competitors from students from the various Trades Schools was undertaken. These participated in final competitions held at the National Skills Competition during the Agricultural and Commercial Show in Lusaka.

A total of Nine (9) TEVET Institutions competed in four trade skills: namely Bricklaying and Plastering, Plumbing and Sheet Metal, Carpentry and Joinery and Domestic Electrical Wiring.

The Institutions that participated were:

- i. Northern Technical College (NORTEC) – Copperbelt Province
- ii. Lusaka Business & Technical College (Thorn Park Construction School) – Lusaka Province
- iii. Livingstone Institute of Business and Engineering Studies (LIBES) – Southern Province
- iv. Kabwe Institute of Technology (KIT) – Central Province
- v. Choma Trades Training Institute – Southern Province
- vi. Lukashya Trades Training Institute – Northern Province
- vii. Mansa Trades Training Institute – Luapula Province
- viii. Chipata Trades Training Institute – Eastern Province
- ix. Mobile Mission Maintenance Vocational Training Centre - Copperbelt

3.6 Rolling-Out of TEVETA Approved Skills Award Courses

As part of strategic plan activities, NCC intends to roll out its courses to Trades institutes in the ten provinces of Zambia. This is to ensure that more people are being reached from different locations around the country. During the period under review, the Construction School rolled out the Road Construction and Maintenance Supervision course to Kaoma Trades Training Institute in Kaoma, Western Province. This course commenced in September, 2014. NCC also commenced the process of rolling out the Drainage Structures Construction Course to Lukashya Trades Training Institute in Kasama, Northern Province, this course will commence during the first quarter of 2015.

3.7 Linking Training to Contractor Upgrading

The Construction School in liaison with the Registration and Regulations Department has put in place modalities that link contractor upgrading to training. Some modules had been identified as fundamental to the upgrade of contractors in various categories. Occupational Health and Safety has however been identified as key and therefore would be compulsory for all contractors in all Grades.

4.0 Finance and Administration

The department has 6 sections which operate in support of NCC activities. During the period under review some of the highlights achieved are outlined below:

4.1 Human Resource and Administration

Staff Complement

The staff complement was 89 as at 31st December 2014. During the period under review, 15 new members of staff were appointed, two were promoted and one was redeployed. In addition, only one member of staff resigned.

Capacity Building

Thirteen members of staff were sponsored for various training programmes while 20 members of staff were sponsored for short term training programmes. A summary of these is provided in Table II.



NCC staff at the Inter-Company Relay.

Table II: Summary of Short and Long Term Training Programmes Sponsored in 2014

No.	NAME	COURSE	INSTITUTION
1	Clara Malupande	ACL – Audit Software Training	CQS – South Africa
2	Francis Milambo	ACL – Audit Software Training	CQS – South Africa
3	Morgan Chiselebwe	ACL – Audit Software Training	Global Management Training (Cape Town)
4	Lucky Mutanga	ACL – Audit Software Training	CQS – South Africa
5	Cynthia Majula	Advanced Skills for Executive Assistants	Global Management Training (Cape Town)
6	Kwande Kaonga	Basic Auto Mechanics Phase 1	Luanshya Technical Business College
7	Barbara Lukhanda	Bsc. Business Administration	University of Lusaka
8	Patricia Liyungu	Bsc. in Accountancy	University of Lusaka
9	Iress Munalula	Bsc. in Computer Science	Cavendish University
10	Emmanuel Kangwa	Bsc. in Procurement	University of Lusaka
11	Martin Daka	Bsc. Project Mgt	Cavendish University
12	Brian Mutale	Business Process Re-engineering	National University of Singapore
13	Lucky Muntanga	Business Process Re-engineering	National University of Singapore
14	Morgan Chiselebwe	Business Process Re-engineering	National University of Singapore
15	Effa Nyangulu	Concrete Brick Paving Course	Global Management Training (Cape Town)
16	Munkanta Chikopyo	Construction Law	Global Management Training
17	Thomas Lungu	Diploma in Automotive Mechanics	NORTEC
18	Fuka Sichone	Diploma in Electrical	NORTEC
19	Lamack Silwimba	Diploma in food and Beverage Mgt	Fair view
20	Jeff Lifumbo	Diploma in Road Maintenance	University of Africa
21	Osward Mweemba	Diploma in Road Maintenance	University of Africa
22	Grace Mutale	Doshe (Distance)	University of Africa
23	Helen Chisenga	Libraries and Documentation Mgt	AMADI (Swaziland)
24	Jeremiah Sande	Managerial Competencies for Regulatory Managers	Global Management Training
25	Moses Daka	Managerial Competencies for Regulatory Managers	Global Management Training
26	Thompson Mwango	Managerial Competencies for Regulatory Managers	Global Management Training
27	Godfrida Chishimba	Mgt. Accounting & Financial Planning	Global Management Training (Cape Town)
28	Prudence Tembo	Msc. Project Management	University of Lusaka
29	Francis Mwape	OSHE (E-Learning)	ILO, Italy
30	Golden Makayi	Practical Project Planning	Meridein Consult (Swaziland)
31	Robert Tembo	Procurement, Logistics & Material Management	Global Management Training (Cape Town)
32	Timothy Musole	Project Management	Meridein Consult (Swaziland)
33	Gloria Chifwaila	Strategic Project Management	Global Management Training

Review of Terms and Conditions of Service

In order to align itself to sector agencies, a review of its Terms and Conditions of Service was undertaken.

4.2 Accounts

Budget monitoring remains at the forefront of the organisations operations. The primary responsibility of Accounts is to ensure effective and efficient management of funds in such a manner as to accomplish the objectives of the organisation. The Unit constantly interacts with the Departments at NCC and provides reports on the financial position of the organisation to ensure NCC remains financially stable. The Accounts is prudent in monitoring expenditure against allocated budget and has contributed significantly towards the organisation achieving an unqualified audit report.

4.3 Procurement and Supplies

This section highlights the main procurement activities that were undertaken during the year under review. Procurement in line with the approved Procurement Plan for 2014. NCC undertook various tenders via open and simplified bidding. Notable among the contracts for goods and services awarded were for:

- purchase of an Excavator;
- purchase of IT Equipment;
- Purchase of motor vehicles;
- Purchase of Central Region Office;
- Purchase of Northern Region Office; and
- Engagement of a consultant to facilitate the Continuous Professional Development process

4.4 Information and Communication Technology

During the period under review, the section facilitated development and implementation of an NCC specific ICT system, facilitated repair, maintenance and replacement of hardware and software. The Unit also facilitated training for ten members of staff in the use various ICT.

4.5 Canteen and Hostels

The canteen and hostels section provided food, beverages and accommodation to students undertaking various training programmes. In addition the canteen also provided food and beverages to members of staff and the public.

4.6 Workshop

The institution operates a mechanical workshop that is responsible for minor repair and maintenance. They are responsible for the maintenance of the fleet as well as carrying out all simple electrical, plumbing and carpentry works at NCC.

5.0 Legal Services

This Department was established during the year under review to provide legal services to the institution. This department ensures that the National Council for Construction Act No 13 of 2003 and its subsidiary pieces of legislation are correctly interpreted.

During the year under review the Legal Services Department commenced the process of the review of the National Council for Construction Act.

6.0 Internal Audit

Internal Audit assists the Board of Directors and Management to have clear visibility into the organisation's risk landscape as well as ensuring that a robust risk management system is in place.

During the period under review, Internal Audit continued to provide independent assurance services to the Board of Directors and Management through continuous evaluation of internal processes and risk management strategies. In discharging its assurance role, Internal Audit continued to engage and agree with Management on corrective actions and improvements required and monitored these on a regular basis to ensure timely resolution and implementation.

7.0 Business Development

The Business Development Section became functional during the period under review. It provides for the improvement, collaboration and facilitation of existing and new business opportunities as well as managing business related issues within departments. It operates as a link between strategy and implementation as guided by the NCC Business and Strategic Plans. The Business Development Unit commenced the process of developing and recommending strategies aimed at making NCC sustainable in the medium and long term.

8.0 Public Relations

The following are some of the activities undertaken by the section during the period under review:

8.1 Participation in National Events and Exhibitions

NCC participated in the commemoration of the following national days and exhibitions in order to disseminate information and to strengthen strategic links with other stakeholders.

NCC held the following events during the period under review:

Meet the Minister Dinner

National Council for Construction hosted the 2014 Meet the Minister Dinner on 12th December 2014 at the Mulungushi International Conference Centre. The “Meet the Minister Dinners” are designed to create a platform for sharing, exchange of information and views on issues of common interest between and among the Ministry of Transport, Works, Supply and Communications and its statutory bodies.

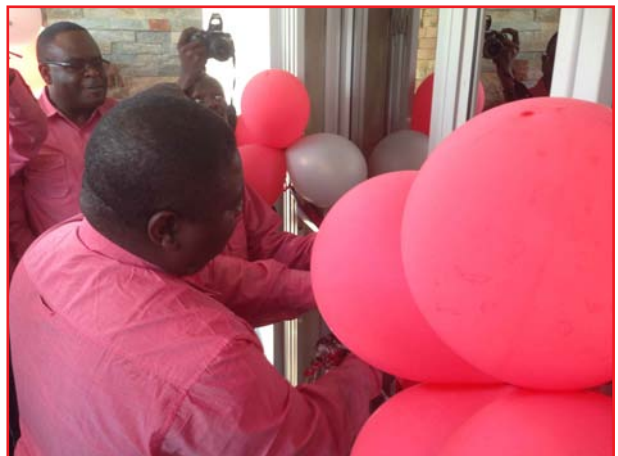


2014 National Annual Skills Competition

NCC hosted the 2014 National Annual Skills Competition from 31st to 3rd August 2014 during the 88th Agricultural and Commercial Show in Lusaka. NCC introduced the Construction Industry Skills competitions programme in 2008 with bricklaying as the only skill. The Competition was designed to fulfil NCCs aims of “promoting and building the capacity of the Zambian Construction Industry” and promoting excellence in construction. A total of 9 trades schools and 28 individuals, from around the country participated in the National Skills Competition.

Southern Regional office launched

On 11th October 2014, NCC officially launched the Southern Regional office. The colourful ceremony was launched by the Minister of Transport, Works and Supply, Hon. Yamfwa Mukanga, MP. Hon. Mukanga noted the strategic location of the office in terms of NCC positioning itself to meet the challenges in the construction sector arising from the expected growth in infrastructure development resulting from the declaration of Choma as Provincial Capital for Southern Province.



8.2 Media Programmes and Monitoring

In order to increase awareness on issues related to construction, the section facilitated production and airing of an institutional documentary on ZNBC TV1. In addition a total of 48 radio programmes were aired on both Radio Phoenix and Hot FM as part of activities to commemorate 50 years of Zambia's independence. NCC also featured on the Construction News segment.

In addition, the print media were monitored for construction related stories. A total of 552 articles on construction related issues were captured in the print media. Issues relating to contracts, construction materials and contractor performance received the highest coverage. Figure V presents the total number of press clippings captured in 2014.

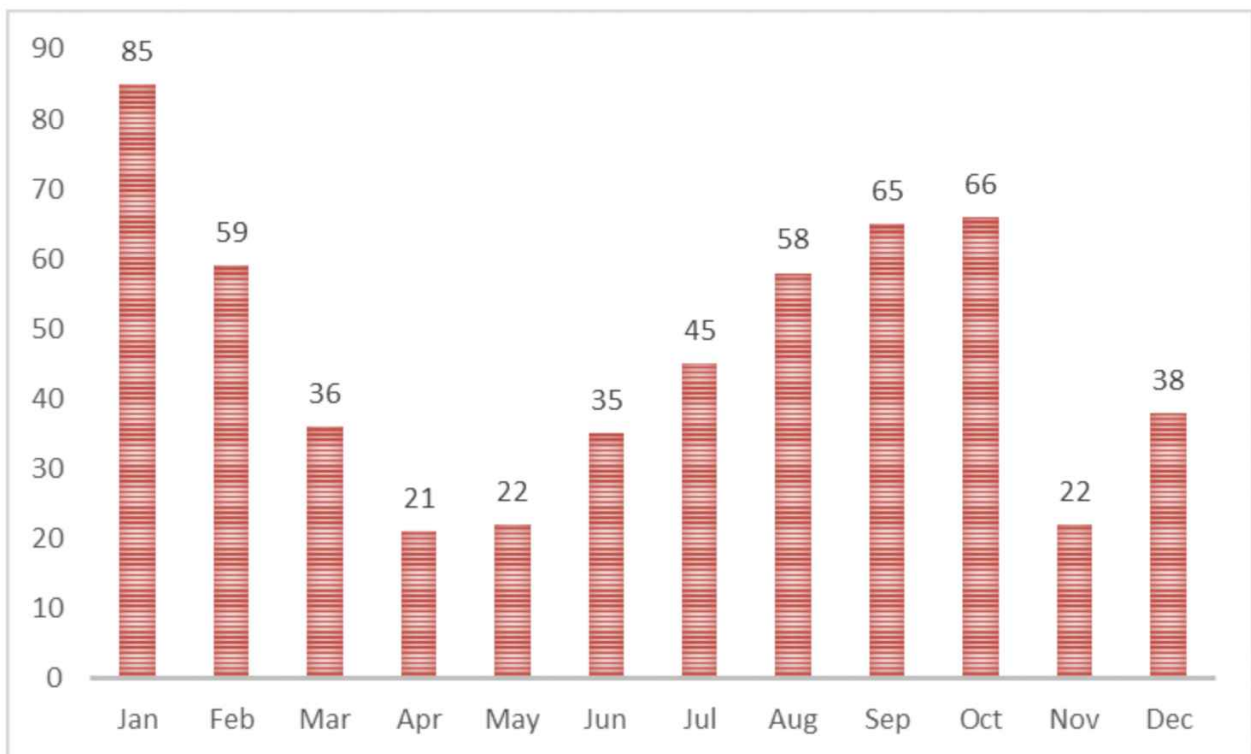


Figure V: Number of Press Clippings in 2014

National Council for Construction Financial Statements For the year ended 31 December 2014

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& 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 2014.

Council Members

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

NAME	ORGANISATION
Eng. Patrick M. Kampengele-Chairman	Association of Consulting Engineers of Zambia
Mr. Charles Sipanje	Permanent Secretary-Ministry of Transport, Works, Supply and Communications
Mrs. Pamela C. Kabamba	Permanent Secretary-Ministry of Finance
Mr. Stanford Msichili	Permanent Secretary-Ministry of Local Government and Housing
Mr. Musa Mwenye	Attorney General S.C- Ministry of Justice
Mrs. Hilda Kawesha Mwansa	Any Other Person appointed by the Minister
Mr. Michael Nyirenda	Association of Building & Civil Engineering Contractors
Mrs. Mwangala M. Lethbridge	Zambia Institute of Architects
Mrs. Catherine M. Kanyensha	Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA)
Mrs. Roseta M. Chabala	Zambia Association of Manufacturers
Mr. Edward Mpepo	National Association for Medium & Small Scale Contractors
Mrs. Agnes Banda Phiri	Energy Regulation Board
Dr. Fredrick Chileshe	Copperbelt University, School of Mines
Mr. Michael Chileshe	Surveyors Institute of Zambia
Mrs. Peggy Chituta	Zambia Bureau of Standards
Eng. Charles Mushota	Executive Director – NCC

Senior Management

Eng. Charles Mushota	Executive Director
Morgan Chiselebwe	Director Finance and Administration
Francis Mwape	Principal Construction School
Golden Makayi	Director Registration and Regulation
Mwenya Kapasa	Legal Counsel

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.

Council Members' Report - Continued

The company's results

	2014	2013
Income	<u>45,571,097</u>	<u>36,264,252</u>
Expenditures	<u>42,130,929</u>	<u>31,264,252</u>
Surplus	<u>5,076,1881</u>	<u>6,736,619</u>

The Council recorded a profit of K5.08 million in 2014 compared to a Surplus of K6.7 million in 2013.

Donations

The Council did not make any donations in the year under review (2013: nil)

Average number of employees and their total remunerations

The average number of employees during the year was 85 (2013: 75). The employees' total remunerations amounted to K9.7 million (2013: K5.9 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

At the reporting date the Council's current assets exceeded assets current liabilities by K20.5 million. The Council meets its day to day working capital requirements through funds generated from its operations.

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.

Whilst the Council members are presently uncertain as to the outcome of the matters mentioned above, they believe that it is appropriate for the financial statements to be prepared on the going concern basis

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 20 were approved by the Directors.



 Eng. Patrick M. Kampengele
 Council Chairman



 Eng. Charles Mushota
 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:

- 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;
- Selecting and applying suitable accounting policies;
- 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:


- 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 2014;
- 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 2014.
- There are reasonable grounds to believe that the Council will be able to pay its debts as and when they fall due.
- 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 7 to 20 were approved by the Council of Members at a Council meeting held on 20/03/2015 and were signed on its' behalf by:



.....
Eng. Patrick M. Kampengele
Council Chairman



.....
Eng. Charles Mushota
Executive Director

Report of the Auditors to the Council Members of National Council for Construction

Report on the financial statements

We have audited the financial statements of National Council for Construction for the year ended 31 December 2014 set out on pages 7 to 20. These financial statements comprise the statement of financial position as at 31 December 2014, statement of comprehensive income and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

Directors' responsibility for the financial statements

The Council Members are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the National Council for Construction Act No. 13 of 2003. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements, whether due to fraud or error. In making the risk assessment, the auditor considers internal controls relevant to the Council's preparation and fair presentation of the financial statements 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Council as at 31st December 2014 and of its financial performance and its cash flows for the year then ended, in accordance with applicable International Financial Reporting Standards and have been prepared in accordance with the National Council for Construction Act No. 13 of 2003.

Report on other Legal and regulatory requirements

In accordance with Section 13 of the 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.



CYMA

.....
Chintu Y. Mulendema
Managing Partner

25/02/15
.....
Date

National Council for Construction

Financial Statements

for the year ended 31 December 2014

(All amounts are in Kwacha unless otherwise stated)

Statement of Comprehensive Income

	Notes	2014	2013
INCOME			
Grants	8	9,956,963	6,912,285
Fees	9	33,600,146	28,533,252
Other Income	10	<u>2,013,988</u>	<u>1,387,771</u>
Total income		45,571,097	36,833,308
Operating Expenditures			
Administrative expenses	12	<u>(42,130,929)</u>	<u>(31,264,252)</u>
Operating Surplus		3,440,168	5,569,056
Net Financing Income	11	<u>1,636,020</u>	<u>1,167,563</u>
Surplus for the year		<u>5,076,188</u>	<u>6,736,619</u>

National Council for Construction

Financial Statements


for the year ended 31 December 2014

(All amounts are in Kwacha unless otherwise stated)

Statement of Financial Position

	Notes	2014	2013
ASSETS EMPLOYED			
Property, Plant and Equipment	3	<u>19,056,996</u>	<u>14,055,460</u>
Current Assets			
Receivables	5	4,196,076	2,761,815
Bank and Cash Balances	6	28,959,704	32,043,115
		<u>33,155,780</u>	<u>34,804,930</u>
Total Assets		<u><u>52,212,776</u></u>	<u><u>48,860,390</u></u>
EQUITY AND LIABILITIES			
Funds Employed			
Accumulated Fund		32,154,212	27,078,024
Capital Grant		7,360,500	7,628,960
		<u>39,514,712</u>	<u>34,706,984</u>
Current Liabilities			
Trade and other payables	7	12,698,064	14,153,406
		<u>12,698,064</u>	<u>14,153,406</u>
Total Equity and Liabilities		<u><u>52,212,776</u></u>	<u><u>48,860,390</u></u>

These Financial Statements on page 7 to 20 were approved by the National Council for Construction Council of Members on 20/03/2015 and signed on its behalf by:



 Eng. Patrick M. Kampengele
Council Chairman



 Eng. Charles Mushota
Executive Director

National Council for Construction

Financial Statements

for the year ended 31 December 2014

(All amounts are in Kwacha unless otherwise stated)

Statement of Changes in Equity

	Accumulated Fund K	Capital Grant K	Total K
Balance at 1 January 2013	20,341,405	7,958,852	28,300,257
Amortisation	-	(329,892)	(329,892)
Surplus for the year	<u>6,736,619</u>	<u>-</u>	<u>6,736,619</u>
Balance at 31 December 2013	27,078,024	7,628,960	34,706,984
Amortisation	-	(268,460)	(268,460)
Surplus for the year	<u>5,076,188</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2014	<u>32,154,212</u>	<u>7,360,500</u>	<u>39,514,712</u>

National Council for Construction

Financial Statements

for the year ended 31 December 2014

(All amounts are in Kwacha unless otherwise stated)

Statement of Cash Flows

	Notes	2014	2013
Cash flows from operating Activities			
Surplus		5,076,188	6,736,619
Adjusted For:			
Interest Received		(1,636,020)	(1,167,563)
Depreciation	3	1,727,843	1,313,007
Amortisation of capital grants	10	(268,460)	(329,892)
loss on Disposal of motor vehicles		-	32,222
		<u>4,899,551</u>	<u>6,584,393</u>
Adjusted for working capital movements			
Increase receivables		(1,434,261)	(949,902)
Increase/(decrease) payables		(1,455,342)	(113,434)
		<u>2,009,948</u>	<u>5,521,057</u>
Returns on investments and servicing of finance			
Interest received		1,636,020	1,167,563
Net Cash flows from operating activities		<u>3,645,968</u>	<u>6,688,620</u>
Cashflow from Investing Activities			
Tangible Property, plant and equipment	3	(6,729,379)	(4,517,047)
Proceeds from sale of Motor vehicles		-	40,768
Net cash Inflow		<u>(3,083,411)</u>	<u>2,212,341</u>
Cash Movement			
Net Bank and Cash Balances at start of the year		32,043,115	29,830,774
Net Bank and Cash Balances at end of the year	5	<u>28,959,704</u>	<u>32,043,115</u>
Movement in Cash		<u>(3,083,411)</u>	<u>2,212,341</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

At the reporting date the Council's current assets exceeded assets current liabilities by K20.5 million. The Council meets its day to day working capital requirements through funds generated from its operations.

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.

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.

Whilst the Council members are presently uncertain as to the outcome of the matters mentioned above, they believe that it is appropriate for the financial statements to be prepared on the going concern basis.

(b) Revenue recognition

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.

Interest income is recognised on a time proportion basis when it is determined that such income will accrue to the Council.

(c) Translation of foreign currencies

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.

(d) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost. Subsequently, they are stated at historical cost or revalued amount less depreciation.

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.

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%

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).

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.

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.

(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

Retirement benefit obligations

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.

Significant Accounting policies (continued)

(h) Provisions

Provisions are recognised when the Council any 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.

Notes to the financial statements

1 Financial risk management objectives and policies

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.

Most of the transactions for the council are carried out in Zambia Kwacha. The exposure foreign currency risk is low.

2 Critical accounting estimates and judgements

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.

(i) Critical accounting estimates and assumptions

Property Plant and Equipment

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.

Receivables

Critical estimates are made by the Council members in determining the recoverable amount of impaired receivables.

(ii) Critical judgements in applying the entity's accounting policies

In the process of applying the Council's accounting policies, Council members have made judgements in determining whether assets are impaired.

National Council for Construction
Financial Statements
for the year ended 31 December 2014
(All amounts are in Kwacha unless otherwise stated)

Notes to the financial statements (continued)

3 Property Plant and Equipment

Cost/Valuation	Leasehold Property	Motor vehicles	Laboratory Equipment	Office Equipment	Furniture & Fittings	Workshop Equipment	Total
At 1 January 2013	10,559,352	6,264,512	268,068	2,012,544	655,621	1,342,531	21,102,628
Additions	1,465,177	2,305,877	-	548,528	197,465	-	4,517,047
Disposals	-	(318,500)	-	-	-	-	(318,500)
At 31 December 2013	12,024,529	8,251,889	268,068	2,561,072	853,086	1,342,531	25,301,175
Additions	4,117,556	2,036,852	-	243,115	297,306	34,550	6,729,379
At 31 December 2014	16,142,085	10,288,741	268,068	2,804,187	1,150,392	1,377,081	32,030,554
Depreciation							
At 1 January 2013	2,630,598	4,110,522	195,466	1,496,101	507,263	1,238,268	10,178,218
Charge for the year	263,984	693,253	67,017	220,493	64,745	3,515	1,313,007
Disposals	-	(245,510)	-	-	-	-	(245,510)
At 31 December 2013	2,894,582	4,558,265	262,483	1,716,594	572,008	1,241,783	11,245,715
Charge for the year	298,947	1,102,269	5,585	295,795	24,499	748	1,727,843
At 31 December 2014	3,193,529	5,660,534	268,068	2,012,389	596,507	1,242,531	12,973,558
Carrying Amounts							
At 31 December 2014	12,948,556	4,628,207	-	791,798	553,885	134,550	19,056,996
At 31 December 2013	9,129,947	3,693,624	5,585	844,478	281,078	100,748	14,055,460

National Council for Construction

Financial Statements

for the year ended 31 December 2014

(All amounts are in Kwacha unless otherwise stated)

Notes to the financial statements (continued)		2014	2013
4	Surplus for the year		
	Surplus is stated after charging:		
	Depreciation	1,727,843	1,313,007
	Audit Fees	66,394	63,800
5	Receivables		
	Debtors	120,000	109,187
	Less Provision for Doubtful Debts	-	(66,417)
		120,000	42,770
	Prepayments and deposits	141,897	-
	Bank Interest Receivable	195,896	-
	Staff Loans and Advances	3,738,283	2,719,045
		4,196,076	2,761,815
6	Cash and Cash Equivalents		
	Barclays Bank Kwacha	9,606,571	14,956,367
	Finance Bank Kwacha	7,083,683	7,169,660
	Barclays Bank Fixed Deposit	4,068,808	3,736,687
	Intermarket Bank Fixed Deposit	6,943,500	6,180,401
	Barclays Bank Kwacha	1,257,142	-
		28,959,704	32,043,115
7	Payables		
	Deferred Registration Fees	11,150,718	11,029,695
	Motor Vehicles	1,314,374	950,000
	Toner	-	46,650
	Site tools	-	100,000
	Office Furniture	-	110,000
	Gratuity settlement	-	596,976
	Audit Fees	66,394	63,800
	Office Equipment	-	414,893
	Subsistence allowances	135,720	35,507
	Wages for site Workers	-	48,970
	Barclays Bank Scheme Laons	15,553	2,700
	Renovations Choma Office	-	560,538
	Accomodation and Food for students	-	131,965
	Installation of PABX system	-	61,712
	Other Accruals	15,305	-
		12,698,064	14,153,406

National Council for Construction

Financial Statements

for the year ended 31 December 2014

(All amounts are in Kwacha unless otherwise stated)

Notes to the financial statements (continued)

	2014	2013
8 Grants		
Road Sector Capacity building - NRFA Grant	5,855,170	2,915,730
Government Grant	3,833,333	3,666,663
Transfer from Capital Grant	268,460	329,892
	<u>9,956,963</u>	<u>6,912,285</u>
9 Fees		
Registration, Scrutiny and Annual Fees	32,666,446	28,034,902
Tuition Fees	933,700	498,350
	<u>33,600,146</u>	<u>28,533,252</u>
10 Other operating Income		
Hire of Facilities	1,730,326	1,042,018
Green Technology Construction	155,880	-
Construction awards	-	345,753
Bad Debts recovered	4,282	-
Rental Income	123,500	-
	<u>2,013,988</u>	<u>1,387,771</u>
11 Net Financing Income		
Bank interest	1,330,317	918,744
Interest on Staff Loans	305,703	248,819
	<u>1,636,020</u>	<u>1,167,563</u>
12 Administrative Expenses		
Advocacy, Sensitisation and Publicity	576,058	155,711
Agricultural and Commercial Show	-	163,448
Annual Skills Competition	275,921	205,665
Audit and Accounting Fees	66,394	63,800
Postage	34,250	18,881
Board Expenses	781,681	103,001
Building Technology Course	220,125	130,215
Canteen Expenses	1,128,183	1,232,077
Capacity Building	1,222,484	790,566
Cleaning Materials and Groceries	363,411	324,983
Computers Software and accessories	487,409	86,041
Construction awards	-	716,828
Construction Sector	-	13,008
Depreciation	1,727,843	1,313,007
	<u>6,883,759</u>	<u>5,317,231</u>

National Council for Construction

Financial Statements

for the year ended 31 December 2014

(All amounts are in Kwacha unless otherwise stated)

Notes to the financial statements (continued)

	2014	2013
12 Administrative Expenses - Continued		
Balance brought forward	6,883,759	5,317,231
Enforcement of construction regulations	602,262	320,438
Establish linkages and accreditation -Laboratory	-	75,243
Fuel and Lubricants	877,540	714,045
Graduation Ceremonies	122,212	119,514
HIV/AIDS Awareness	48,030	-
Implementation of Bussiness Plan	1,243,534	1,504,531
Increase in Provision for Doubtful Debts	-	66,417
Insurance of NCC Assets	186,031	423,131
International Construction Events	293,221	66,138
International Training Exchange/ASOCSA	180,091	118,495
Kitchen and Hostels expenses	122,632	274,580
Kitwe Office Expenses	73,565	111,911
External Technical Assistance	130,165	82,884
Loss on disposal of Motor vehicles	-	32,222
Bank Charges	83,339	78,363
Membership to professional bodies	49,660	-
Monitoring Construction Activities	1,246,015	780,105
Motor Vehicles expenses	331,164	349,848
MOU implementation	83,120	69,056
Labour Day Celebrations	80,675	72,847
Road Sector Contractors Capacity Building (Note 12.1)	3,781,946	4,334,131
Other expenses	58,850	595,240
Plant Operators Course	55,637	88,077
Provincial Registration Committee Expenses	368,200	103,650
Registration expenses	360,316	99,583
Repairs and maintenance	379,603	309,819
Revision of construction standards	81,416	100,951
Security expenses	219,363	115,188
Staff costs (Note 12.2)	19,547,613	13,051,518
Stationery and Printing	907,950	1,046,238
Training of Trainers in EMPO Course	155,138	-
Telephone, Fax and email	177,943	280,299
Finance & Adm. review Workshop	152,170	-
TAVETA license	39,650	32,800
National Exhibitions and Exposure	705,348	158,634
Travel Local and International	480,236	124,462
Worlds Standards Day	5,380	-
Stakeholder Consultative Workshop	41,608	-
	40,155,382	31,017,589

National Council for Construction

Financial Statements

for the year ended 31 December 2014

(All amounts are in Kwacha unless otherwise stated)

Notes to the financial statements (continued)

	2014	2013
12 Administrative Expenses - Continued		
Balance B/fwd	40,155,382	31,017,589
Stakeholder Sensetisation	107,380	-
SMEs Cotractor Development	180,910	-
Registration & Regulation Departmental Workshop	63,225	-
Document Management System	13,000	-
Construction School Review Workshop	84,078	-
Commemoration of World Safety Day	22,670	-
Commemoration of Womens day	66,220	57,885
Procurement Committee	398,624	31,591
Team Building	514,565	-
Water and Electricity	77,948	92,682
Fibre Optic Subscriptions	146,351	-
Green Technology Construction expenses	26,300	-
Educational Materials	68,000	-
Certification Programmes- CISA,CCNA,MCP)	45,185	-
Codification of NCC new Assets	14,000	-
Youth Day	20,885	16,725
National and International Seminars	35,087	-
Commeration of National Days	26,744	-
Gender Commemoration	24,775	21,155
Public Service Day	20,100	26,625
International Anti-Corruption Day	19,500	-
	<u>42,130,929</u>	<u>31,264,252</u>
12.1 Road Sector Contractors Capacity Building - NRFA Grant		
Maintenance of Training Equipment	-	117,298
Earth Moving Plant and Operators	64,980	421,536
Materials testing	343,961	49,142
Occupational Safety Health and Environment	-	37,532
Sector ICT	28,600	109,980
Steel Fixing	37,473	34,563
Capacity Building Programme	601,817	307,824
Brick Paving Course	47,475	35,871
Roll out Courses	576,492	1,184,788
Road Constraction and Maintenance Course	1,160,906	1,243,059
Construction Management Course	137,109	100,541
Road Construction Surveying	213,199	-
Management of Civil Engineering Processes	253,475	229,412
Provincial Training workshop	316,459	412,735
Training equipment	-	49,850
	<u>3,781,946</u>	<u>4,334,131</u>

National Council for Construction

Financial Statements

for the year ended 31 December 2014

(All amounts are in Kwacha unless otherwise stated)

Notes to the financial statements (continued)

12 Administrative Expenses - Continued

12.2 Staff Costs

	2014	2013
Salaries and Wages	9,708,748	5,945,909
NAPSA	1,027,596	393,304
PAYE	4,256,374	2,072,474
Pension Contribution	656,902	3,645,559
Group Life assurance	191,831	112,512
Group personal accidents	32,047	69,346
Medical Expenses	471,652	313,918
Leave Benefits	77,600	60,084
Staff welfare	284,587	179,623
workers compensation	38,740	29,624
Commutation	519,605	229,165
Gratuity Contributions	2,085,508	-
Recruitment cost	143,440	-
Internship costs	52,983	-
	<u>19,547,613</u>	<u>13,051,518</u>

13 Contingent Liabilities

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

14 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

15 Capital Commitments

There were no capital commitments in place as at 31 December 2014 (2013: none)

16 Comparative Figures

Comparative figures have been reclassified where necessary to afford meaningful comparison.



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