

LUANSHYA MUNICIPAL COUNCIL

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST
DECEMBER 2023**

**14TH Street Zaone Avenue
P.O. Box 90140
Luanshya**

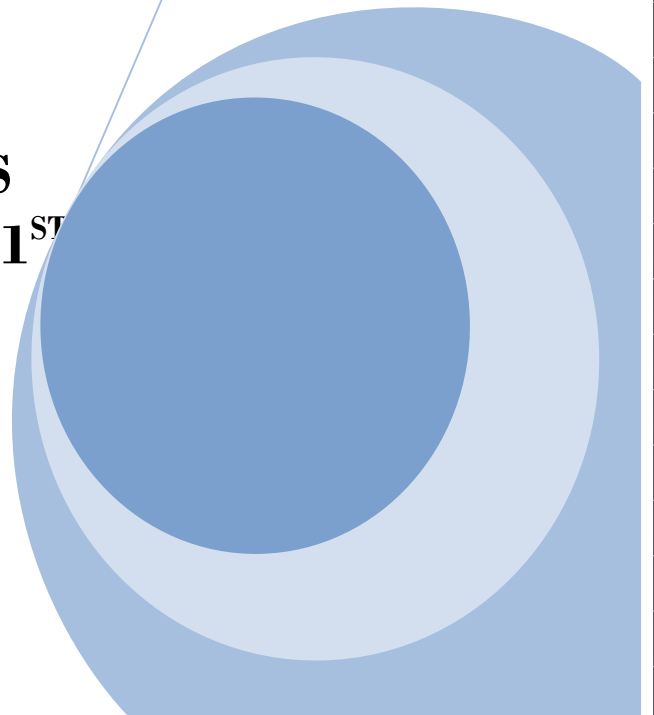


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REPORT OF THE COUNCIL

The Council has the pleasure of presenting the report together with the financial statements for the year ended 31st December 2023 which disclose the sources, utilization and balances of cash for Luanshya Municipal Council during the period under review.

Background and Location of the Council

The Council is located in Luanshya District on the Copperbelt Province of Zambia 35 Kilometers (Km) south-west of Ndola, the provincial capital of the Copperbelt Province and about 352 Kilometer(Km) north of Lusaka City, the nations capital. It shares borders with Kitwe City on the west, Ndola City on the north-east, Masaiti district on the south-east, Mpongwe district on the south-west near Kafue River and Lufwanyama district on the north-west. It lies on an approximate latitude of 13^o 7' 59.880" s and longitude 28^o23' 60.00". The District has an altitude of 1257m above sea level and covers an area of 1,007.6087 Square Kilometers (Km²) in extent.

Luanshya district has a total area of 1,007.6087 Square Kilometer(Km²). According to the 2010 Population and Housing Census, the total population of Luanshya was 156,059 with an average annual population growth rate of 0.5%. The population is segregated as 77,368 males being 49.6% of the Population and 78,691 females being 50.4% of the population (Census 2010-Zambia Population and Demographic Projection for 2011 – 2035, Luanshya is projected to have a population of 177,934 by 2020).

The main economic activities in Luanshya district are mining and agriculture. The District is endowed with copper ore deposits hence making mining a major economic activity.

The address of the registered office of Luanshya Municipal Council (LMC) is as follows:

The Civic Centre
14th Street Zaone Avenue
P. O Box 90140
Luanshya

REPORT OF THE COUNCIL**Composition of the Council**

Luanshya Municipal Council is a body corporate established under Article 152 of the Constitution of Zambia (Amendment) Act No.2 of 2016 and Section 6 of the Local Government Act No. 2 of 2019. As a Local Authority, the Municipal Council administers the Luanshya District.

The Council is composed of an elected Mayor, thirty (30) elected councillors from thirty (30) wards, as provided for under Article 153 (2) (c) of the Constitution of Zambia (Amendment) Act No. 2 of 2016. The Current Council was elected to office in 2021 to serve a five-year term up to 2026. The Deputy Mayor was elected from among the councilors in 2021 for the period of two and half years.

On 12th August 2021, the current council was elected in office. The Councillors' who held office during the year under review were::

No.	NAME	GENDER	POSITION	WARD
1	Charles Mulenga	Male	Mayor	Not applicable
2	Angel Edward Kahale	Male	Deputy Mayor	Lumumba
3	Samson Kombe	Male	Councillor	Baluba
4	Allan Mumba	Male	Councillor	Fisenge
5	Nelius Simfukwe	Male	Councillor	Chitwi
6	Charles Mwila	Male	Councillor	Twashuka
7	Meran Bwalya	Male	Councillor	Buntungwa
8	Austin Zimba	Male	Councillor	Kamuchanga
9	Raban Mulaisho	Male	Councillor	Mwaiseni
10	Paul Mulenga	Male	Councillor	Mulungushi
11	Emmanuel Chewe	Male	Councillor	Zambezi
12	Nelson Choondwe	Male	Councillor	Mikomfwa
13	Clara Mutale	Female	Councillor	Levi Chito
14	Evans Mulusa	Male	Councillor	Mipundu
15	Noel Chitenta Mwansa	Male	Councillor	James Phiri
16	Chisanga Chisanga	Male	Councillor	Buteko
17	Fred Sakala	Male	Councillor	Mpelembe
18	Bentry Chisha	Male	Councillor	Chawama
19	Moses Silungwe	Male	Councillor	Maposa
20	Joseph Nsama	Male	Councillor	Kawama
21	Shadreck Nkonde	Male	Councillor	Nkoloma
22	Alicks Mafuta	Male	Councillor	Kafubu
23	Elton Zuze	Male	Councillor	Chilabula
24	Carlos Lungu	Male	Councillor	Kafue
25	Paul Mwila	Male	Councillor	Justine Kabwe
26	Brian Mwape	Male	Councillor	Nkulumashiba
27	Godfrey Mwewa	Male	Councillor	Mpatamatu
28	Angela Kayekesi	Female	Councillor	Milyashi
29	Richard Sendoi	Male	Councillor	Ngebe
30	Abel Mfunu	Male	Councillor	Kansengu
31	Derrick Chibwe	Male	Councillor	Buyantanshi

REPORT OF THE COUNCIL

The District also has two (2) elected Members of Parliament one for Luanshya Central Constituency and the other for Roan Constituency. The Members of Parliament that held office since elections were:

S/N	NAME	GENDER	CONSTITUENCY
1	Lusale Simbao	Male	Luanshya
2	Joel Chibuye	Male	Roan

The affairs of Central Government in the district are coordinated by the District Commissioner. During the year under review the Luanshya District had Mr. Ngonomo Oncemore as District Commissioner.

The Council Secretariat

The Secretariat of Luanshya Municipal Council is headed by the Town Clerk. The Town Clerk and the rest of the Secretariat are appointed by the Local Government Service Commission.

The Town Clerk is assisted by seven (7) Directors responsible for Legal, Finance, Planning, Engineering, Public Health, Human Resource and Administration, and Housing and Social Services and two (2) Heads of Units namely Procurement and Internal Audit.

Functions of the Council

The main function of the Council is the delivery of local public goods and services to the people in the district and discharge all or any of the functions set out in Article 147 (2) (c) of the Constitution of Zambia (Amendments) Act No.2 of 2016 and First Schedule of the Local Government Act No. 2 of 2019 which include, among others, power to make By-Laws, power to make regulations, imposition of levies, fees and charges and to formulate local policies to promote, guide and regulate development in the district through various relevant departments of the Council.

Financial Results

	2023	2022
	Kwacha	Kwacha
Cash Receipts	120,002,893	104,585,681
Payments	<u>(110,084,656)</u>	<u>(66,917,260)</u>
Increase in Cash and Cash Equivalents	<u>9,918,237</u>	<u>37,668,421</u>

REPORT OF THE COUNCIL

Financial Results Key Policies Adopted During the Year

The Council adopted the following policies during the year:

- Introduction of fees and charges for renting of Council and sub division of property.
- Upward adjustment of fuel by 6.4% to which increased cost of service delivery.
- Upward adjustment of the electricity tariffs which resulted also in the increased cost of service delivery.

REPORT OF THE COUNCIL

Related Party Transactions

There were no related party transactions during the financial year.

Property, Plant and Equipment

The Council purchased property, plant and equipment amounting to **K20,936,698**.

No property, plant and equipment were disposed of during the year.

Intangible Assets

The Council did not procure any intangible assets during the period under review.

Employees

The average number of employees and the cost spent was as follows;

	2023	2022
Number of Employees	615	609
Amount Spent (K)	<u>45,908,209</u>	<u>42,542,944</u>

Health and Safety of Employees

The Council is aware of its responsibilities regarding the safety and health of employees as prescribed in the Occupational Health and Safety Act No.36 of 2010 and took appropriate measures to safeguard their safety and health.

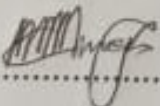
Recreation

The Council during the financial year incurred **K353,043** towards sponsoring various sporting activities.

Auditors

In line with Article 250 of the Constitution of Zambia (Amendment) Act No.2 of 2016 and Section 44(2) of the Local Government Act No. 2 of 2019, the Council is audited by the Auditor-General.

By order of the Council

Signature 

Name: Charles Mulenga

Position: Mayor

Date: 21st November 2024

STATEMENT OF RESPONSIBILITIES FOR ANNUAL FINANCIAL STATEMENTS

The Luanshya Municipal Council is responsible for preparing the financial statements for the year ended 31st December 2023 which are free from material misstatement, whether due to fraud or error, and are prepared, in all material respects, in accordance with the Cash Basis International Public Sector Accounting Standard (IPSAS). In preparing the financial statements, the Council selected applicable policies from the Local Authorities Accounting Policies (LAAPs) of 2019 and then applied them consistently, making judgment and estimates that were reasonable and prudent.

The Council is also responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The Auditor-General has audited the financial statements.

The Council accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with the Cash Basis IPSAS, the requirements of the Local Government Act No. 2 of 2019, the Public Finance Management Act No.1 of 2018 and the Local Authorities Accounting Policies (LAAPs) of 2019.

The Council further accepts responsibility:

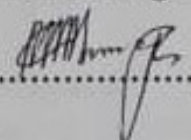
- for the maintenance of accounting records that may be relied upon in the preparation of financial statements,
- for designing, implementing and maintaining systems of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Nothing has come to the attention of the Council to indicate that the Luanshya Municipal Council will not remain a going concern for at least twelve months from the date of this statement.

In the opinion of the Council, proper books of accounts were maintained to support preparation of financial statements that present fairly the financial results of the Municipal Council for the financial year ended 31st December 2023.

Signed on behalf of the Council on 21st November 2024 by;

Name: Charles Mulenga

Signature: 

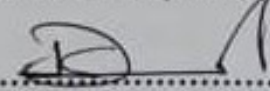
Position: Mayor

Name: Sombo Kawilila Kaela

Signature: 

Position: Town Clerk

Name: David Silwamba CA, AZICA, FMVA

Signature: 

Position: Director of Finance



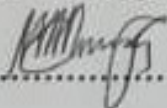
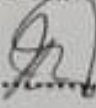
STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

	Note	2023 Kwacha	2022 Kwacha
RECEIPTS			
Local Taxes	2	34,735,934	34,482,706
Fees and Charges	3	7,178,164	7,112,284
Licences	4	1,156,874	1,251,553
Levies	5	202,417	125,342
Permits	6	1,467,238	1,414,820
Local Government Equalisation Fund	7	11,719,917	11,908,670
Constituency Development Fund	8	56,396,442	47,479,822
Other Grants	9	2,654,019	300,000
Borrowings	10	-	-
Commercial Venture	11	21,086	(284)
Other Receipts	12	4,470,802	510,768
TOTAL RECEIPTS		120,002,893	104,585,681
PAYMENTS			
Personal Emoluments	13	45,908,209	42,542,944
Use of goods and services	14	22,752,020	9,981,461
Financial Charges	15	-	179,672
Social benefits	16	16,645,288	10,153,999
Non-financial assets acquisition	17	20,936,698	3,088,801
Financial Assets	18	-	-
Loan Repayments	19	-	-
Other payments	20	3,842,441	970,383
TOTAL PAYMENTS		110,084,656	66,917,260
Increase/(decrease) in Cash		9,918,237	37,668,421
Foreign Exchange Losses	21	-	-
Cash at beginning of the year	22	41,057,696	3,389,275
Cash at the end of the year	22	50,975,933	41,057,696

Incorporated in the payments recognised in this Statement are those for Local Government Equalisation and Constituency Development Funds. However, the details of payments under each of these funds are presented separately in each fund's own Statement of Cash Receipts and Payments.

Name: Charles Mulenga


Name: Sombo Kawilila Kaela

Signature: Signature: 

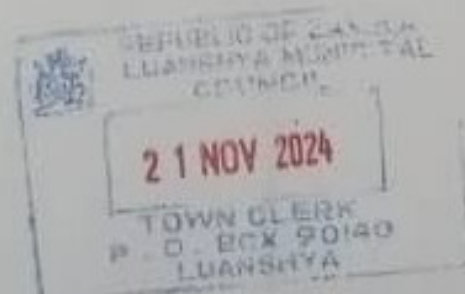
Position: Mayor

Position: Town Clerk

Name: David Silwamba CA, AZICA, FMVA

Signature: 

Position: Director of Finance



STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023

	Original Budget	Adjustments	Final	Actual	%	Variance	%
	Kwacha	Kwacha	Budget Kwacha	Amounts Kwacha	Performance	Kwacha	Variance
RECEIPTS							
Local taxes	50,867,681	-	50,867,681	34,735,934	68%	(16,131,747)	-32%
Fees and Charges	9,484,653	-	9,484,653	7,178,164	76%	(2,306,489)	-24%
Licences	1,005,585	-	1,005,585	1,156,874	115%	151,289	15%
Levies	564,715	-	564,715	202,417	36%	(362,298)	-64%
Permits	1,204,210	-	1,204,210	1,467,238	122%	263,028	22%
Local Government Equalisation Fund	13,587,228	-	13,587,228	11,719,917	86%	(1,867,311)	-14%
Constituency Development Fund	56,627,804	-	56,627,804	56,396,442	100%	(231,362)	0%
Other Grants	-	-	-	2,654,019	-	2,654,019	-
Borrowings	-	-	-	-	-	-	-
Commercial Venture	-	-	-	21,086	-	21,086	-
Other Receipts	551,200	-	551,200	4,470,802	-	3,919,602	711%
TOTAL RECEIPTS	133,893,076	-	133,893,076	120,002,893	90%	(13,890,183)	-10%
PAYMENTS							
Personnel Emoluments	49,427,933	-	49,427,933	45,908,209	93%	(3,519,724)	-7%
Use of goods and services	43,083,142	-	43,083,142	22,752,020	53%	(20,331,122)	-47%
Financial Charges	-	-	-	-	-	-	-
Social Benefits	24,379,971	-	24,379,971	16,645,288	68%	(7,734,683)	-32%
Non-financial assets acquisition	11,362,386	-	11,362,386	20,936,698	184%	9,574,312	84%
Financial Assets	-	-	-	-	-	-	-
Loan Repayments	-	-	-	-	-	-	-
Other Payments	5,639,644	-	5,639,644	3,842,441	-	(1,797,203)	-32%
TOTAL PAYMENTS	133,893,076	-	133,893,076	110,084,656	4	(23,808,420)	-18%
Increase/(Decrease in Cash	(0)	-	(0)	9,918,237		9,918,237	

The composition of budget adjustments and explanations of major variances are provided in note 23

STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE LOCAL GOVERNMENT EQUALISATION FUND (LGEF) FOR YEAR ENDED 31ST DECEMBER 2023

		2023	2022
		Kwacha	Kwacha
RECEIPTS			
Funding	7(a)	<u>11,719,917</u>	<u>11,908,670</u>
TOTAL RECEIPTS		<u>11,719,917</u>	<u>11,908,670</u>
PAYMENTS			
Operational Expenditure Payments:	7(b)		
Salaries and Wages		9,375,933	9,190,147
Terminal Benefits			-
Utility Bills			-
Service Provision			-
Goods and Services			-
Administrative Costs			-
Other Costs			336,789
Sub-Total		<u>9,375,933</u>	<u>9,526,936</u>
Capital Expenditure Payments:	7(c)		
Infrastructure Development		404,858	201,135
Rehabilitation Works		839,285	412,441
Asset Acquisition		229,830	445,200
Fixtures and fittings		52,882	-
Operational Costs:		567,719	-
Other Costs		38,012	1,296,831
Sub-Total		<u>2,132,586</u>	<u>2,355,607</u>
TOTAL PAYMENTS		<u>11,508,519</u>	<u>11,882,543</u>
Increase/(decrease) in cash		<u>211,398</u>	<u>26,127</u>
Cash at the beginning of the year		<u>400,939</u>	<u>374,812</u>
Cash at the end of the year		<u>612,337</u>	<u>400,939</u>

**STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE CONSTITUENCY
DEVELOPMENT FUND (CDF) FOR YEAR ENDED 31ST DECEMBER 2023**

		2023	2022
		Kwacha	Kwacha
RECEIPTS			
Funding	8(a)	56,396,442	47,479,822
Loan Repayments	8(b)	578,565	
Other sources	8(c)	932,487	510,768
TOTAL RECEIPTS		<u>57,907,494</u>	<u>47,990,590</u>
PAYMENTS			
Infrastructure Development	8(d)	8,497,049	923,643
Rehabilitation Works	8(e)	10,560,856	573,203
Asset Acquisition	8(f)	1,029,863	182,905
Social Benefits	8(g)	4,263,508	8,383,090
Loans	8(h)	12,381,780	-
Secondary Boarding schools and Skills Development Bursaries	8(i)	8,873,275	-
Administrative Costs	8(j)	3,842,441	970,383
Other Costs	8(l)	256,518	-
TOTAL PAYMENTS		<u>49,705,290</u>	<u>11,033,224</u>
Increase/(decrease) in Cash		<u>8,202,204</u>	<u>36,957,366</u>
Cash at beginning of the year		<u>40,334,938</u>	<u>3,377,572</u>
Cash at the end of the year		<u>48,537,142</u>	<u>40,334,938</u>

Note 8 explain the composition and other details relating to the various elements included in this Statement.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**1. Basis of the Preparation of the Financial Statements**

The Financial Statements have been prepared in accordance with Cash Basis IPSAS, Financial Reporting under the Cash Basis of Accounting, issued by the International Public Sector Accounting Standards Board (IPSASB) as required by the Local Authorities Accounting Policies (LAAPs).

These financial statements have been prepared in accordance with the historical cost convention as the basis of measurement, unless specified otherwise.

The accounting policies have been applied consistently throughout the period.

1.1 Migration to Accrual Basis Financial Reporting

Luanshya Municipal Council is required, under the Local Government Act No. 2 of 2019 to produce a Statement of Comprehensive Income and a Statement of Financial Position. The production of these statements entails adoption and application of Accrual Basis of Accounting in financial reporting. In applying Cash Basis of Accounting, the Council followed guidance listed below:

- (a) Cash Basis IPSAS, *Financial Reporting under the Cash Basis of Accounting*.

This standard provides that public sector entities adopting Accrual Basis for the first time may apply Cash Basis IPSAS provisions as an intermediate step to assist them in the transition to Accrual Basis IPSASs. In this vein, the Council has produced these financial statements under Cash Basis IPSAS as part of its transition to Accrual Basis of Accounting.

- (b) Accounting Pronouncement: 2023/1 – Applicability of International Public Sector Accounting Standards (IPSASs)

This pronouncement issued by the Zambia Institute of Chartered Accountants (ZICA) pursuant to the Accountants Act No. 13 of 2008 requires the adoption of Accrual Basis of Accounting by public entities by 1st January 2025 with a transition period of three (3) years. The Council is preparing to adopt Accrual Basis IPSASs on 1st January 2025.

- (c) Treasury and Financial Management Circular No.18 of 2022 issued by the Secretary to the Treasury pursuant to the Public Financial Management Act, No. 1 of 2018.

The Treasury and Financial Management Circular provides as follows:

- i. That in order to have a standard financial reporting framework, all Local Authorities should adopt the International Public Sector Accounting Standards (IPSASs) Cash Basis of Accounting as a first step in migration to IPSASs Accrual Basis of Accounting.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- ii. Local Authorities shall use Part 2 of Cash Basis IPSAS which requires extra disclosures called ‘Encouraged Additional Disclosures’ in Cash Basis financial statements for the years ending 31st December 2022 up to 31st December 2024.
- iii. All Local Authorities shall adopt and apply Accrual Basis IPSAS of Accounting starting 1st January 2025 by following the guidelines provided in IPSAS 33 – “First Time Adoption of Accrual Basis IPSASs”.
- iv. That the three (3) year transition period provided under IPSAS 33 should commence on 1st January 2025 and should end on 31st December 2027. Thereafter, all Local Authorities shall be required to comply fully with Accrual Basis IPSASs.

Based on these guidelines, the Council has not yet commenced production of Accrual Basis financial statements required by the Local Government Act No. 2 of 2019. However, the Council has adopted Part 2 Cash Basis IPSAS, *Financial Reporting under the Cash Basis of Accounting* to help it transition its financial reporting to Accrual Basis IPSASs.

1.2 Reporting Entity

The Financial Statements are prepared for Luanshya Municipal Council (LMC). The financial statements encompass the Council as specified in the Constitution of Zambia (Amendment) Act No. 2 of 2016, the Local Government Act No.2 of 2019, and the Public Finance Management Act No.1 of 2018. It also includes projects and activities of the Constituency Development Fund and the Local Government Equalization Fund in the district.

1.3 Authorization Date

The financial statements were authorized for issue on 21st November 2024 by the ordinary/special Council.

1.4 Revenue

Revenue is recognized when cash is received. It is generated from various sources as explained below:

a. Local Taxes

Article 161 of the Constitution of Zambia (Amendment) Act No. 2 of 2016 authorizes Luanshya Municipal Council as a Local Authority to levy, impose, recover and retain local taxes. Further, the Local Government Act No. 2 of 2019 section 25(1) prescribes, subject to the Constitution and the Business Regulatory Act No. 3 of 2014, a system of local taxes which Local Authorities can raise by passing by-laws imposing levies on:

- leviable persons owning or occupying property or premises situated within the area of the District;
- leviable persons carrying on a business, trade or occupation within the area of the District; or
- The purchase or sale of a commodity within the area of the District.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**b. Fees and Charges**

Section 27(1) of the Local Government Act No.2 of 2019 empowers Local Authorities, subject to the Business Regulatory Act No. 3 of 2014, to impose fees or charges payable to the Council:

- For any license or permit issued under any regulation or by-law made under the Act. These may include health permits, fire certificate licences, burial permits and extension of business hours permits;
- For any service or facility provided or goods or documents supplied by the local authority in pursuance of or in connection with the performance of any function of the local authority. These may include survey fees, consent fees, building inspection fees, waste collection fees and parking fees.

1.5 Expenditure

Expenditure is recognized when payment is made for expenses incurred. The Council incurs expenditure relating to the discharge of its functions which includes expenses relating to personal emoluments, use of goods and services, social benefits and acquisition of non-financial assets.

Items of a capital nature are expensed at the time of payment and such transactions are depicted in the appropriate class and heading in the financial statements. Since capital expenditure is expensed when incurred, neither depreciation nor amortization is charged on non-current assets.

1.6 Reporting on Gross Basis

Transactions are reported on gross basis without netting off similar classes of receipts and payments. However, transactions may be reported on net basis when they relate to transactions the Council administers on behalf of other entities recognised in the Financial Statements.

1.7 Cash in hand at the Beginning and the End of the Year

Cash at the beginning and end of the year consist of cash on hand, demand deposits and cash equivalents held at such dates.

Cash on hand refers to notes and coins held by the Council at the reporting date and it includes petty cash and cash collections not yet deposited into bank accounts. Demand deposits consist of reconciled balances held in the Council's bank accounts which it can use on demand. Cash equivalents, on the other hand, refer to short term high liquid investments that can easily be converted to known amounts of cash and are subject to insignificant risk of change in values. The Council recognizes all short term high liquid investments having maturities of three months or less as cash equivalents.

1.8 Local Government Equalization Fund

Article 163(2) of the Constitution of Zambia (Amendment) Act No. 2 of 2016 provides that Parliament shall annually appropriate monies to the Local Government Equalization Fund which shall be disbursed by the Ministry responsible for finance to Local Authorities. Receipts under LGEF supplement revenue generated by the Council. The Council uses at least 20% of the funds received from the equalization fund, in any financial year, to finance capital expenditure and the balance to meet operational expenses.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**1.9 Constituency Development Fund**

The Constituency Development Fund (CDF) was established under Article 162(1) of the Constitution of Zambia (Amendment) Act No. 2 of 2016.

The fund was set up to finance micro-community projects for poverty reduction in communities and it is financed by monies appropriated by Parliament. The administration of CDF is regulated by the Constituency Development Fund Act No. 11 of 2018. The Council maintains separate bank accounts for each constituency. Transfers are made from CDF into constituency bank accounts from which payments are made to finance approved CDF projects.

1.10 Other Grants

These include grants in lieu of rates and support from Cooperating Partners. Grants in lieu of rates are paid by the Government to the Council to cover property rates of Government properties in the district. Support from Cooperating Partners may consist of cash receipts under bilateral and multilateral agreements.

1.11 Presentation Currency

The presentation currency is Zambian Kwacha.

1.12 Foreign Currencies

Transactions in other currencies are converted into Zambian Kwacha using the ruling Bank exchange rates at the time of payment. Balances expressed in foreign currencies at the year-end are translated into Kwacha at the ruling rate then. The resulting difference from the conversion and translation are charged to the Statement of Cash Receipts and Payments.

1.13 Borrowings

Borrowings comprise of actual cash inflows received from financial institutions, bilateral and multilateral institutions.

1.14 Budgets and Actual Amounts

A final budget includes all adjustments (supplementary and re-allocations) made to the original approved budget during the year. Supplementary budgets consist of additional provisions beyond what was originally approved while re-allocations are approved budget variations.

The approved budget is developed on the same accounting and classification basis, and for the same period as for the financial statements. All material differences between final budgets and actual amounts are explained in the notes to the annual financial statements. Budget differences of 20% and above are considered material.

1.15 Encouraged Disclosures of Accrual Type of Items

During the year, the Council adopted Part 2 of Cash Basis IPSAS which provides extra Accrual Basis type of disclosures called Encouraged Additional Disclosures as follows:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**i. Property, Plant and Equipment**

These are assets that have useful economic lives or service potential of more than one year. They are recorded and disclosed at either cost or valuation. Valuations are conducted by the Government Valuation Department and the Council's own Valuation staff. Where valuation has been undertaken, the applicable valuation bases are as follows:

- Land Current Value
- Buildings Cost or Market Value
- Plant and Equipment Cost

ii. Investments in Other Entities

The Council discloses the following details about its investments in other entities:

- (a) Name of the entity
- (b) Principal activity of the entity
- (c) Percentage of shareholding in the entity
- (d) Receipts in form of dividends and other returns on the investments

iii. Administered Transactions

Administered transactions are cash flows resulting from transactions administered by the Council as an agent of Central Government and any of its agencies. All cash collected in this manner is deposited into an account of the Central Government or its appropriate agent and such accounts are not controlled by the Council. The Council deems as part of cash under its control any collections made and administered by the Council on behalf of the Central Government but are allowed to be deposited in any of its bank accounts prior to its transfer to the Central Government or any of its agents.

iv. Related Party Transactions

A related party is one that has the ability to control the Council or exercise significant influence over the Council in making financial and operating decisions. The related party entity is also any entity that is subject to common control with the Council.

Related parties include:

- (a) Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the Council;
- (b) Associates being entities over which the Council has significant influence
- (c) Individuals that have significant influence over the Council, and close members of the family of any such individual;
- (d) Key management personnel, and close members of the family of key management personnel; and
- (e) Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in (c) or (d), or over which such a person is able to exercise significant influence.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The key management personnel of the Council are:

- (a) the Mayor, elected councillors, Co-opted members of the Audit and
- (b) The Principal Officers and Chief Officers.

Spouses, children, grandchildren, grandparents, brothers, sisters, parents in law, brothers in law and sisters in law of key management personnel are related parties to the Local Authority

The Council discloses the nature of the related party relationship as well as information about those transactions and outstanding balances as a note to the financial statements. Such transactions may include remuneration, loans and contracts awarded to key management personnel and their close relatives.

v. External Assistance

External assistance comprises of loans and grants from multilateral and bilateral agencies provided under agreements specifying the purposes for which the assistance will be utilized.

Luanshya Municipal Council discloses total external assistance received in cash during the period, total external assistance paid by the agencies for the benefit of the council, external assistance received in form of loans and grants, their classifications, purposes for which it was received and undrawn balances.

vi. Payments to Third Parties

Third party payments also known as direct payments are those that are made by third parties to construct or acquire property, plant and equipment and or pay for services on behalf of Luanshya Municipal Council. These do not constitute cash receipts and payments by the Council. They include payments for goods and services made by multilateral and bilateral aid agencies and non-governmental organizations and are included in the disclosures of external assistance.

NOTES TO THE FINANCIAL STATEMENTS**2. Local Taxes**

During the year, the Council generated K34,735,934 as local tax cash receipts as follows:

Local Tax Type	2023	2022
	Kwacha	Kwacha
Residential Rates	2,543,350	3,937,602
Industrial / Commercial Rates	6,231,179	4,576,140
Mining Rates	25,888,486	25,889,470
Personal Levy	<u>72,919</u>	<u>79,494</u>
TOTAL	<u>34,735,934</u>	<u>34,482,706</u>

The Council relied on the Valuation Roll updated for the period 2020-2024 to determine the property rates receivable.

3. Fees and Charges

The Council generated cash receipts in form of fees and charges arising from offering various services as follows.

	2023	2022
	Kwacha	Kwacha
Fees and charges	5,782,377	5,266,317
Land Development Charges	<u>1,395,787</u>	<u>1,845,967</u>
Total	<u>7,178,164</u>	<u>7,112,284</u>

NOTES TO THE FINANCIAL STATEMENTS**a. Fees and charges**

The Council generated K5,782,379 in fees and charges as follows:-

Fees and Charges Type	2023	2022
	Kwacha	Kwacha
Consent Fees	15,400	24,900
Survey Fees	41,368	68,450
Building Inspection fees	187,303	231,705
Plan Scrutiny Fees	128,486	135,428
Change of premise use	2,350	12,250
Container Ntemba Fees	18,385	28,200
Rentals/Lease of Council's properties	526,891	541,262
Application Form Fees	552,011	907,950
Rentals from houses	5,500	4,400
Sketch Fees	1,300	15,650
Search Fees	16,750	20,550
Market Fees	583,140	548,114
Parking Fees	223,390	207,607
Bus Station Fees	682,869	661,905
Affidavit Fees	20,100	18,620
Hire of Halls	12,750	7,000
Hire of Grounds		500
Gym Fees		400
Grave Reservation	12,700	12,800
Course fees	6,700	1,700
Refuse Disposal Fees	123,440	47,795
Home Craft Registration		300
Library Membership Fees	23,991	17,336
Notice of Marriage	170,400	75,400
Abattoir/Meat Inspection Fees	33,300	34,250
Registration of Clubs and Societies	40,450	46,300
Farm Produce Levy	30	
Communication Mast Levy	157,500	157,500
Billboard and Banner	280,848	113,710
Lease of Council Transport	1,517,513	2,400
Penalties	89,375	99,750
Site Rent	90,000	147,849
Change of ownership of plot	190,927	256,204
Medical Fees	24,290	34,190
Other Fees and Charges	2,920	669,585
Donation		300
other Income		114,057
Total	<u>5,782,377</u>	<u>5,266,317</u>

NOTES TO THE FINANCIAL STATEMENTS**b. Land Development Charges**

The Council collected K1,395,787 from the following land development related

Charges Type	2023	2022
	Kwacha	Kwacha
Service charges - residential plots	39,500	28,500
Service charges - Industrial plots	4,500	54,900
Premium plots - Residential	848,342	1,190,968
Premium plots - Commercial	286,100	521,285
Other Charges (Service Charges Debtors)	217,345	50,314
TOTAL	<u>1,395,787</u>	<u>1,845,967</u>

4. Licences

A total of K1, 156,874 cash receipts was raised from issuance of various licences.

Licence Type	2023	2022
	Kwacha	Kwacha
Business Levy	265,805	180,869
Manufacturers licence	227,379	248,297
Retail licence	163,709	118,711
Wholesale licence	108,485	121,001
Liquor licence	32,020	32,610
Stall Licence	1,000	3,840
Financial Institution	111,000	120,000
Firearm and ammunition licence	28,550	22,100
Petroleum licence	137,600	299,000
Dog licence	3,075	13,975
Occupancy licence	42,000	89,650
Other licences	36,250	1,500
TOTAL	<u>1,156,874</u>	<u>1,251,553</u>

NOTES TO THE FINANCIAL STATEMENTS**5. Levies**

The Council generated K202,417 as cash receipts by charging levies as follows:

Type of Levy	2023	2022
	Kwacha	Kwacha
Bird Levy	24,000	30,500
Pole Levy		6,030
Miscellaneous levies	<u>178,417</u>	<u>88,812</u>
TOTAL	<u>202,417</u>	<u>125,342</u>

6. Permits

The Council generated K1,467,238 as cash receipts from issuing various permits as follows:

Type of Permit	2023	2022
	Kwacha	Kwacha
Health Permit	576,077	469,765
Opaque Permit	11,900	5,280
Milk Transportation Permit	1,200	1,200
Fire Certificates	546,926	603,500
Burial Permits and Grave sites	279,580	277,574
Extension of business hours permits	3,000	800
Public permits (social gatherings, etc)		250
Other Permits	<u>48,555</u>	<u>56,451</u>
TOTAL	<u>1,467,238</u>	<u>1,414,820</u>

NOTES TO THE FINANCIAL STATEMENTS**7. Local Government Equalization Fund****a. Funding**

Detailed report for Local Government Equalisation Fund received in 2023

No.		2023	2022
		Kwacha	Kwacha
1	1st Funding	992,936	1,120,176
2	2nd Funding	957,404	1,000,947
3	3rd Funding	849,687	964,228
4	4th Funding	994,033	978,641
5	5th Funding	1,000,885	1,014,301
6	6th Funding	970,135	987,617
7	7th Funding	994,823	955,117
8	8th Funding	1,001,197	991,433
9	9th Funding	1,002,049	991,311
10	10th Funding	1,001,198	959,231
11	11th Funding	960,872	990,294
12	12th Funding	994,698	955,376
		<u>11,719,917</u>	<u>11,908,670</u>

b. Operational Expenditure

The Council applied amounts totalling K9,375,933 of LGEF receipts towards meeting operational expenses representing 80% of the total LGEF funding for the reporting period. These expenses are included in the amounts disclosed in notes accompanying the Statement of Cash Receipts and Payments.

c. Capital Expenditure

The Council applied amounts totalling K2,343,983 LGEF receipts towards meeting capital expenditure representing 20% of the total LGEF funding for the reporting period. This expenditure is included in the amounts disclosed in notes accompanying the Statement of Cash Receipts and Payments.

NOTES TO THE FINANCIAL STATEMENTS**8. Constituency Development Fund**

The various elements constituting Statement of Cash Receipts and Payments for CDF are analysed as follows:

a) CDF Funding

	2023	2022
Constituency	Kwacha	Kwacha
Luanshya	28,198,221	23,739,911
Roan	28,198,221	23,739,911
Total Funding	<u>56,396,442</u>	<u>47,479,822</u>

b) Empowerment Loan Repayments

	2023	2022
Constituency	Kwacha	Kwacha
Luanshya Revolving Account	287,920	
Roan Revolving Account	290,645	
Total Other Sources	<u>578,565</u>	<u>-</u>

c) Other CDF Sources of Funding

Other CDF sources of funding consisted of interest earned on the amounts held in CDF bank accounts.

	2023	2022
Constituency	Kwacha	Kwacha
Luanshya	401,210	252,054
Roan	445,274	258,714
Luanshya Loan Interest Earned	40,948	
Roan Loan Interest Earned	45,055	
Total Other Sources	<u>932,487</u>	<u>510,768</u>

d) Infrastructure Development

	2023	2022
Constituency	Kwacha	Kwacha
Luanshya	3,880,872	579,010
Roan	4,616,177	344,633
Total	<u>8,497,049</u>	<u>923,643</u>

NOTES TO THE FINANCIAL STATEMENTS**e) Rehabilitation Works**

	2023	2022
Constituency	Kwacha	Kwacha
Luanshya	5,518,200	482,218
Roan	<u>5,042,656</u>	<u>90,984</u>
Total Rehabilitation payments	<u>10,560,856</u>	<u>573,202</u>

f) Asset Acquisition

	2023	2022
Constituency	Kwacha	Kwacha
Luashya	396,000	118,896
Roan	<u>633,863</u>	<u>64,009</u>
Total Asset Acquisition Payments	<u>1,029,863</u>	<u>182,905</u>

g) Social Benefits

	2023	2022
Constituency	Kwacha	Kwacha
Luashya	2,071,652	4,995,948
Roan	<u>2,191,856</u>	<u>3,387,142</u>
Total Social Benefits/empowerment Payments	<u>4,263,508</u>	<u>8,383,090</u>

h) Loans

	2023	2022
Constituency	Kwacha	Kwacha
Luanshya	6,243,163	
Roan	<u>6,138,617</u>	<u>-</u>
Total Loan Costs	<u>12,381,780</u>	<u>-</u>

i) Skills and Bursaries

	2023	2022
Constituency	Kwacha	Kwacha
Luanshya	4,199,729	4,995,948
Roan	<u>4,673,547</u>	<u>3,387,142</u>
Total Administrative Costs	<u>8,873,276</u>	<u>8,383,090</u>

NOTES TO THE FINANCIAL STATEMENTS**j) Administrative Costs**

	2023	2022
Constituency	Kwacha	Kwacha
Luanshya	1,769,053	521,077
Roan	1,973,563	449,306
Luanshya Revolving	2,592	
Roan Revolving	97,233	
Total Administrative Costs	<u>3,842,441</u>	<u>970,383</u>

k) Other Costs

	2023	2022
Constituency	Kwacha	Kwacha
Luanshya	256,518	
Roan		
Total Other Costs	<u>256,518</u>	<u>-</u>

9. Other Grants

During the year, the Council received a Grant from the Ministry for Repair of Bridges in the District. The Grant is tabulated below.

Revenue Source	2023	2022
	Kwacha	Kwacha
Grants in Lieu of Rates	-	300,000
Other Grant	2,654,019	
TOTAL	<u>2,654,019</u>	<u>300,000</u>

10. Borrowings

During the year under review, the Council had no undertaking with any lending institution.

NOTES TO THE FINANCIAL STATEMENTS**11. Council Commercial Venture**

This consists of receipts and payments relating to operations of Baluba Motel owned by the Council. However, the Council had a surplus of K21,086.

	2023	2022
	Kwacha	Kwacha
Receipts		
Tailoring Sales Receipt	75,800	15,450
Bar Sales Receipt	8,232	-
Baluba Motel Rentals	1,500	
Truck parking	25,539	
Fish sales	4,900	
Others	1,010	1,250
TOTAL	<u>116,981</u>	<u>16,700</u>
Payments		
General Administration	28,432	4,024
Bar Stocks	14,790	
Tailoring Materials	32,033	7,960
Wages	16,449	
Others	4,191	5,000
TOTAL	<u>95,895</u>	<u>16,984</u>
Surplus/deficit	<u>21,086</u>	<u>(284)</u>

12. Other Receipts

The Council received amounts totaling K4,470,802 as other receipts which included K362,618 in its Project Account from Masaiti Council for the Rehabilitation of Miputu Road, a donation of K2,508,000 from the Mines for the rehabilitation of H-Figov Road and CDF loan empowerment repayments. Therefore, the amounts in question could not be recognized under any particular class of receipts in the financial statements except as 'other receipts'.

	2023	2022
	Kwacha	Kwacha
Donation	2,510,000	-
Masaiti District	362,618	-
Empowerment Loan Repayments		
Luanshya Consistency	287,920	-
Roan Constituency	290,645	-
Other CDF Sources	932,487	510,768
Other Income	87,132	-
	<u>4,470,802</u>	<u>510,768</u>

NOTES TO THE FINANCIAL STATEMENTS**13. Personal Emoluments**

Personal Emoluments consist of actual amounts of salaries and wages paid to staff of the Council. Other Wages encompasses money paid as Councillors Allowances, Long Service bonus, Terminal benefits, and Gratuity as well as Leave days to former and current employees respectively. The Council had categories of staff that were paid as follows:

Grade	2023	2022
	Kwacha	Kwacha
Salaries Division 1	8,238,190	7,990,127
Salaries Division 2	8,335,689	7,770,183
Salaries Division 3	7,288,355	6,802,782
Wages- Division 4	14,232,099	14,446,924
Other wages	7,813,876	5,532,929
TOTAL	<u>45,908,209</u>	<u>42,542,944</u>

14. Use of Goods and Services

Use of Good and services consist of expenditure incurred on administrative activities as well as CDF expenses posted to respective codes.

Expenditure Type	2023	2022
	Kwacha	Kwacha
Office Running Costs	1,139,132	1,570,191
Building, Repair and Maintenance Costs	378,204	282,437
Plant, Machinery and Vehicle Running and Maintenance Cost	1,699,592	2,710,889
Other Administrative operating costs	738,066	582,822
Requisites	2,967,060	867,566
Services	12,800,683	1,340,283
Travel expenses	2,059,894	1,554,557
Training	277,579	287,297
Medical costs	-	584,801
Other costs	691,810	200,617
TOTAL	<u>22,752,020</u>	<u>9,981,461</u>

15. Financial Charges

The Council had no financial charges during the year under review.

	2023	2022
	Kwacha	Kwacha
Bank Charges		179,672
		-
TOTAL	<u>-</u>	<u>179,672</u>

NOTES TO THE FINANCIAL STATEMENTS**16. Social Benefits**

During the year under review, the Council paid an amount totalling K16,645,288 as Social benefits to various Youth and Women empowerment groups under Luanshya and Roan constituencies.

	2023	2022
	Kwacha	Kwacha
Gratuity		210,962
Terminal Benefits		1,458,447
Long Service Bonus		101,500
Leave Days		
CDF Social Benefits/Empowerment Costs	16,645,288	8,383,090
TOTAL	<u>16,645,288</u>	<u>10,153,999</u>

17. Non-financial Asset Acquisition

Non-financial Asset Acquisition involved the following payments:

	2023	2022
	Kwacha	Kwacha
Air Conditioning Equipments		181,410
Electrical Equipments		-
Computers and Peripherals (Printers)	21,000	284,999
purchase Garbage Compactor	141,000	-
purchase of a mower	23,500	-
Assets-Crates for Baluba Motel		15,550
CDF Assets		182,905
CDF Infrastructure	8,497,049	923,643
CDF Rehabilitation	10,560,856	573,202
Rehabilitation of Buildings and Fixtures	642,850	468,883
Office furniture	1,050,443	458,209
	-	-
TOTAL	<u>20,936,698</u>	<u>3,088,801</u>

18. Financial Assets

The Council did not acquire any financial assets during the period under review.

19. Loan Repayments

The Council had no loan with any institution.

NOTES TO THE FINANCIAL STATEMENTS**20. Other Payments**

During the period under review, the Council made payments under CDF as Administrative costs totaling to K3,842,441

	2023	2022
	Kwacha	Kwacha
Administrative Costs	3,824,441	970,383
TOTAL	<u>3,824,441</u>	<u>970,383</u>

21. Foreign Exchange Losses

These arise from transactions made in other currencies and determined by reconciling opening cash to closing cash balances

22. Cash Balances

The Council's Cash amounts consisted of cash on hand, demand deposits and cash equivalents.

	2023	2022
	Kwacha	Kwacha
Cash on hand	45,465	845
Demand Deposits	50,930,468	41,056,850
Cash equivalents		
TOTAL	<u>50,975,933</u>	<u>41,057,695</u>

a. Cash on hand

The Council's cash on demand was made of cash collections and petty cash:

	2023	2022
	Kwacha	Kwacha
Cash collections undeposited	45,465	845
Petty Cash		-
TOTAL	<u>45,465</u>	<u>845</u>

NOTES TO THE FINANCIAL STATEMENTS**b. Demand Deposits – Bank Balances**

The Council had the following reconciled bank account balances as at the 31st December 2023:

Account Name	Account No	2023 Kwacha	2022 Kwacha
Levies Account	Atlasmara -0310100900009	1,505	2,145
Operations Account	Atlasmara-0310476108015	584	14,573
Transit Account	Atlasmara-0310577924001	28,786	90,777
Project Fund A/C	Zanaco-0120321300172	154,233	134,218
Markets Account	Zanaco-0532898300108	453,823	3,025
Transit Account	Zanaco-5703833300356	15,397	103,241
Operations Account	Zanaco -5703833300255	28,970	4,176
Fire Account	Zanaco-5703833300154	1,948	22,643
Luanshya Constituency Account	Zanaco-0120204300186	23,344,841	18,998,203
Roan Constituency Account	Zanaco-1379123300178	24,687,784	21,336,736
Salaries Account	Zanaco-1102109300146	1,524,599	108,616
Commercial Account	Barclays-0000001081359	35,673	130,807
Main Ward Account	Atlasmara-0310437447016	3,067	48,125
Baluba Investments	Zanaco-5693307500152	6,805	3,052
Baluba Motel	Zanaco-5923684300110	17,885	
ZNBS	ZNBS-06714182233201-0	2,829	1,906
Capital ZNBS-LGEF	ZNBS-0671237303201-0	117,222	54,608
Luanshya Revolving Account	Natsave-3060178807501	243,881	
Roan Revolving Account	Natsave-3060178799501	260,636	
TOTAL		<u>50,930,468</u>	<u>41,056,850</u>

c. Cash Equivalents

The Council didn't hold any treasury bill at the end of the year under review.

23. Budget Adjustments and Variances**a. Budget Adjustments**

The original budget was approved by the Minister responsible for Local Government on 2nd March 2023. There was no supplementary budget made in the year under review.

b. Budget Variance

- Local Taxes**

The Council planned to generate K50,867,681 from local taxes but collected K34,735,934 resulting in a negative variance of 32%. The variance was due to low compliance from rate payers.

NOTES TO THE FINANCIAL STATEMENTS

- **Fees and Charges**

The Council planned to generate K9,484,653 from fees and charges but collected K7,178,165 resulting in a negative variance of 24%. The variance was due to low compliance.
- **Levies**

The Council planned to generate K564,715 from levies but collected K202,417 resulting in a negative variance of 64%. The variance was due to un remittance of Zesco pole levies.
- **Permits**

The Council planned to generate K1,204,210 from Permits but collected K1,467,238 resulting in a favorable variance of 22%. The variance was due to a number of businesses opened up.
- **Other Receipts**

The Council planned to generate K551,200 from other receipts but collected K4,470,802 resulting in a favorable variance of 711%. The positive variance was due to the donation received from the mines and other receipts from Masaiti District and interests received in Council accounts.
- **Use of Goods and Services**

The Council planned to Spend K43,083,142 on goods and services but spent K22,752,020 resulting in a favourable variance of 47%. The unfavourable variance was due to financial constraints the institution is facing.
- **Social Benefits**

The Council planned to Spend K24,379,971 on goods and services but spent K16,645,288 resulting in a favourable variance of 32%. The variance was due to financial constraints the institution is facing.
- **Non-Financial Assets Acquisition**

The Council planned to Spend K11,362,386 on goods and services but spent K20,936,698 resulting in an unfavourable variance of 84%. The unfavourable variance was due to projects being implemented from the previous funding under CDF.
- **Other Payments**

The Council planned to Spend K5,639,644 on goods and services but spent K3,842,441 resulting in a favourable variance of 32%. The favourable variance was due to financial constraints the institution is facing.

NOTES TO THE FINANCIAL STATEMENTS**24. Provision of Services**

The Municipal Council incurs expenditure to offer services. The Council is mandated to provide service to the residents of Luanshya District. The following were the services rendered:

Type of Services	2023 Kwacha	2022 Kwacha
Wages - Div IV	14,469,700	13,927,354
Building Maintenance (Maitenance,consumables,Cleaning)	56,963	33,546
Petrol ,Oil and Lubricants	797,045	1,518,177
Servicing of Grader/Fire Tender	199,466	221,404
Spare Parts	71,562	203,859
Tyres	100,490	255,410
Repairs	25,325	44,715
Insurance	62,045	50,000
Boards Councils and Committees allowances	237,589	178,537
Hand tools and equipment	47,549	67,185
Protective Wear, Clothing and Uniforms	152,310	250,778
Street light equipment	2,340	166,570
Road maitenance materials	1,282,141	360,607
Insecticides	1,000	
Veterinary Materials		
Nuseries		
Mayors donation	88,950	17,800
Audit fees	600	
Printing		
Advertising and Publicity.	34,097	10,000
Public functions and ceremonies	115,479	166,091
Public libraries and community		
State Fuctions	3,500	
Board,Council and Committee expenses	2,300	106,579
Relief,Repatriation and Burial of Destitutes	29,990	17,810
Cultural Promotions	1,000	5,700
Staff Welfare and Recreation	353,043	386,425
Land Demarcation and Survey		4,614
Bush Clearing and Grass cutting/Wards	10,000	196,602
Development & Maitenance of Cementaries		
Valuation of properties	2,298,003	10,000
Labour day expenses and Awards	74,839	57,375
Creation and Maitenance of Parks		79,960
Provision of Fire services	158,892	25,640
Waste and Refuse collection	206,570	396,792
In and outdoor Spraying and disfection		
Conferences,Seminars and Workshops		57,252
Bank charges	169,840	179,519
Ward Development Funding	215,850	
Drainage System		
Market facilities		
Other services(CDF)	51,746,481	12,373,157
Industrial Buildings	1,658,833	461,007
Other Machinery and Equipment		
Other specialised Vehicles	141,000	
	74,814,792	31,830,465

NOTES TO THE FINANCIAL STATEMENTS**25. Property, Plant and Equipment**

The Council had property, Plant and Equipment valued at K68,244,488.

	Office and Fixtures K	Land and Buildings K	Plant & Machinery K	Intangible Assets K	Motor vehicles K	TOTAL K
Opening balance	2,127,410	40,612,249	3,680,274	35,030	852,826	47,307,790
Additions	1,071,443	19,700,755	164,500		-	20,936,698
Revaluation	-					
Re-classification	-					-
Disposal	-	-				-
Total	3,198,853	60,313,004	3,844,774	35,030	852,826	68,244,488
Depreciation						-
Closing balance	3,198,853	60,313,004	3,844,774	35,030	852,826	68,244,488

26. Investments in Other Entities

The Council had no investments held in any entity for the period under review.

27. Administered Transactions

The Council did not administer any transaction with other institutions in the period under review.

28. Related Party Disclosures

The following disclosures are made in the financial statements of Luanshya Municipal Council:

a. Fringe Benefits Disclosures

The Mayor was provided with a “Ceremonial Vehicle”, an office and personal secretary. He was also entitled to Sitting Allowance of K84,000 and transport refund of K14,400. The Town Clerk was also provided with a personal-to-holder car, an office and personal secretary.

NOTES TO THE FINANCIAL STATEMENTS**b. Remuneration of the Councillors**

The aggregate remuneration of members of the Council and the number of individuals determined on a full-time equivalent basis receiving remuneration from Luanshya Municipal Council are:

Aggregate Remuneration	K1,080,000
Number of persons	30

None of the councillors acquired loans from the Council during the period under review nor had any outstanding loans.

c. Remuneration of Senior Management

The aggregate remuneration of members of the Senior Management and the number of individuals determined on a full-time equivalent basis receiving remuneration from the Local Authority are:

Aggregate Remuneration	K9,547,143
Number of persons	60

None of the members of senior management acquired loans from the Council during the period under review nor had any outstanding loans.

29. External Assistance

During the period under review the Local Authority did not receive any external assistance.

30. Third Party Payments

Luanshya Municipal Council during the period under review did not engage in any party's transactions.

APPENDICES**A. DEBTORS**

The council has a total of **K22,839,318** as at 31st December 2023 from Owners rates, Rentals levies, Plots and Bill Boards as per schedule below:-

No.	Details	B/F From 2022	Accruals In 2023	Total	Payment	Balance
1	DEBTORS		-			-
1	Owners Rates	12,067,307	34,558,059	46,625,366	32,816,220	13,809,146
2	Rentals (All Tenants)	1,901,155	1,069,680	2,970,835	554,041	2,416,794
3	Levies	503,910		503,910	424,553	79,357
4	Plots (All Categories)	7,356,949		7,356,949	1,193,442	6,163,507
5	Bill Boards	376,517	274,845	651,362	280,849	370,513
	Sub Total	22,205,838	35,902,584	58,108,423	35,269,105	22,839,318

APPENDICES

B. SUPPLIERS OF GOODS AND SERVICES

As at 31st December 2023 the Council owned different suppliers of goods and services a total amount of **K5,483,213**.

LUANSHYA MUNICIPAL COUNCIL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

S/N		2,023.00	2,022.00
1	Kwasco- Water Bills	2,245,420	2,245,420
2	Enias Chulu	330,520	330,520
3	Namwali Lodge	152,470	152,470
4	Nilkant Filling Station	48,395	48,395
5	Roan General Hospital	89,072	89,072
6	Shadrick Mwanza	3,750	3,750
7	Chindomu Gen Dealers	18,260	18,260
9	Pols General Dealers	8,100	8,100
10	Martha Mushina	25,000	25,000
11	W.K. Enterprise	117,650	117,650
12	Presolid Investment	74,860	74,860
13	Giant Steel Ltd	8,708	8,708
14	Mabmuk	1,737	1,737
15	Omwa	2,500	2,500
16	Graceland Enterprises	64,580	64,580
17	Zambia Daily Mail	35,707	35,707
18	C'fao Zambia	5,499	5,499
19	Line Link Africa	12,120	12,120
20	Mariachi Imports	5,645	5,645
21	Lawrence Mwewa	7,115	7,115
22	House Of Luanshya	1,126	1,126
23	Astrol Holdings	2,910	2,910
24	Preconstancy General Dealer	65,900	65,900
25	Jordan Imports	19,650	19,650
26	Zamnet	19,000	19,000
27	Yellowqwip	14,398	14,398
28	Norwell Gen. Dealers	19,975	19,975
29	Tibs Enterptises	7,200	7,200
30	Moka Tailors	36,685	36,685
31	Muvi Tv	230,634	230,634
32	Palmsoft	3,189	3,189
33	Luanshya Hospital	7,503	7,503
34	Jordan Imports	10,938	10,938
35	Mission Press	55,508	55,508
36	Kabronko	11,750	11,750
37	Luanshya Lab Equipment	7,600	7,600
38	Conmac Suppliers	78,500	78,500
39	Times Printpak	172,470	172,470
40	Hommies Investment Ltd	15,750	15,750
41	Sebenza Nawe	169,565	169,565
42	Government Valuation Dep	4,500	4,500
43	Neatoch Limited	93,600	93,600
45	Kafkan Electronics	5,250	5,250
46	Baywatch Inves Ltd	8,400	8,400
47	Znbc	24,128	24,128
48	Mishmark Zambia Limited	24,975	24,975
49	Freestop Enterprises	126,250	126,250
50	Ndatecha General Dealers	2,200	2,200
51	Wk Enterprises	16,060	16,060
52	One Stop Tyre Express Limited	49,360	49,360
53	Kalotech Enterprises	132,000	132,000
54	Lwamfwehardware Limited	151,150	151,150
54	Freestop Enterprises	8,750	8,750
55	Keelz Investment Limited	25,900	25,900
56	Omwa Enterprises	3,100	3,100
57	Grama Technologies	6,500	6,500
58	Linelink Africa Enterprises	17,260	17,260
59	Epitome Investments Limited	77,000	77,000
60	Chicle Contractors And General Dealers	22,500	22,500
61	M.C Michel Engineering And Contractors	38,800	38,800
62	Mishmark Zambia Limited	58,765	58,765
63	Seewnum Enterprises Limited	53,490	53,490
64	Miles Ahead Technocrats Ltd	25,915	25,915
65	Dt Legal Practioner (Hellen Banda)	300,000	300,000
		5,483,213	5,483,213

APPENDICES**C. STATUTORY OBLIGATIONS**

As at 31st December 2023 the Council had unremitted statutory obligations amounting to **K148,011,170**.

No. Details	2023	2022
1 Staff Creditors		
1 Long Service Bonus	5,296,921	5,680,403
2 Retirees Benefits	9,099,338	4,728,464
3 Settling In Allowance	155,809	415,383
Sub Total	<u>14,552,068</u>	<u>10,824,250</u>
2 Statutory Obligations		
1 Madson Life	247,514	247,514
2 Zulawu	7,522	39,353
3 Lasf	8,680,656	9,040,656
4 Napsa	19,970,069	16,360,282
5 Napsa-Interest/Penalties	79,094,428	79,094,428
6 Zra	23,910,679	23,190,475
7 Fftuz	10,964	20,848
8 Zctu	230,355	225,273
9 Nhima	48,451	171,103
10 Muvi Tv	200,634	200,634
11 Madson Grz	1,057,831	667,257
Sub Total	<u>133,459,102</u>	<u>129,257,821</u>
Grand Total	<u><u>148,011,170</u></u>	<u><u>140,082,071</u></u>