



# KAFUE TOWN COUNCIL

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**ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31<sup>st</sup>  
DECEMBER 2024**

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
Report of the Council	2-6
Statement of Responsibilities for Annual Financial Statements	7
Independent Auditor's Report	8-12
Statement of Cash Receipts and Payments	13
Statement of Comparison of Budget and Actual Amounts	14
Statement of Cash Receipts and Payments for Local Government Equalization Fund	15
Statement of Cash Receipts and Payments for Constituency Development Fund	16
Statement of Cash Receipts and Payment for Capital Grant	17
Statement of Cash Receipts and Payment for Sector Grant	18
Summary of Significant Accounting Policies	19-25
Notes to the Financial Statements	26-43

## REPORT OF THE COUNCIL

The Council has the pleasure of presenting the report together with the financial statements for the year ended 31<sup>ST</sup> December 2024 which disclose the sources, utilization and balances of cash for Kafue Town Council during the period under review.

### **Background and Location of the Council**

The Council's administrative office is in Kafue Estates, Kasenje Ward of Kafue District in Lusaka Province. The district lies on the outskirts of Kafue River (the second longest river in the country after the Zambezi River) from where it draws its name. The district is about 434.2 km North of Livingstone City, the tourist capital of Zambia and 45 Km south of the Nation's capital, Lusaka. It is a transit town bordering seven (7) districts, Chilanga and Lusaka on the Northern part, Chikankata and Chirundu on the southern part, Shibuyunji on the western part and Chongwe on the eastern part. It also serves as an entry and exit town to the Republic of Zimbabwe through Chirundu and Siavonga towns.

Kafue District has a total area of 4,460 square kilometers (km<sup>2</sup>). The Census of Population undertaken by the Zambia Statistics Agency in 2022 revealed that the population of Kafue District had reached 219,574. The district has two (2) Chiefs namely Chiefteness Nkomesha Mukamambo the II and Chifteness Chiyaba.

The history of Kafue Town can be traced to the extension of the Rhodesian Railway line into Livingstone town from Southern Rhodesia (present day Zimbabwe) in 1905. The extension continued beyond Livingstone and Kalomo going all the way to the Copperbelt towns. The railway line reached Kafue in 1906 and proceeded north to Kabwe in the following years where it was meant to aid the transportation of lead and zinc minerals. The railway line contributed greatly to the growth of Kafue town.

Most of the earlier settlers of Kafue were pastoral farmers and fishermen. Many were drawn in the emerging economy as railway workers. With the development of the railway line, large tracts of the land along the railway line were opened up for settlement by the British soldiers that had survived the First World War. In addition to Agricultural development, the establishment of a major railway station near Kafue River, became an important stopover to re-furbish the steam engines with water on the journey up or down the railway line. As a result, train crews, fishermen, drivers and other railway employees settled in Kafue as process of urbanization began.

Kafue town continued growing such that by December 1964, Kafue Township Council was one of the twenty-three (23) local authorities in the country that constituted the membership of Local Government Association of Zambia (LGAZ), a mouth piece of local authorities. Despite this, the town was mostly considered part of Lusaka City. In 1970 Nitrogen Chemicals of Zambia was established to produce Ammonium Nitrate for making explosives which later added a sulphuric acid plant in 1983 and production of fertilizer. Kafue was home to one of the most popular textile companies in the Country, the Kafue textiles.

The current civic centre housing the administrative centre of Kafue Town Council was inaugurated by Hon. Alexander Chikwanda, then Minister of Local Government, on the 23<sup>rd</sup> of April 1976. At that time, Chilanga town was part of Kafue district until 2012 when it was separated and declared a district with its own Council.

The Local Administration Act No. 15 of 1980 abolished City, Municipal and Township Councils and established District Councils and therefore Kafue Township Council became Kafue District Council. This

## **REPORT OF THE COUNCIL**

changed in 2016 when the Republican Constitution was amended resulting in change of district councils to town council, the name Kafue Town Council retains to date.

The district currently boasts of the second largest Multi Facility Economical Zone in Zambia in the Lusaka Multi Facility Economical Zone and the largest Steel manufacturing company in Zambia, Universal Mining & Chemical Industries Ltd that owns and operates the Kafue Steel factory.

The address of the registered office of Kafue Town Council (KTC) is as follows:

The Civic Centre  
Luangwa Drive  
P O Box 360021  
**KAFUE**

### **Composition of the Council**

Kafue Town 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 Town Council administers the Kafue Town.

The Council is composed of an elected Council Chairperson, sixteen (16) elected Councillors from sixteen (16) Wards, and two (2) Chiefs as provided for under Article 153 (2)(c) of the Constitution of Zambia (Amendment) Act No. 2 of 2016. The current Council was elected into office in 2021 to serve a five-year term up to 2026. The Deputy Council Chairperson was elected from among the Councillors in 2023 for the period of two and half years.

## **REPORT OF THE COUNCIL**

The Councillors who held office during the year to 31<sup>st</sup> December 2024 were;

1	Buumba Malambo	Female	Council Chairperson	Not applicable
2	Luvious Maiya Malikopo	Male	Vice Chairperson	Shikoswe
3	Katiyo D.Jones	Male	Councillor	Chiawa
4	Ligitimate Malumbe	Male	Councillor	Chikupi
5	Wise Mainza	Male	Councillor	Magoma
6	John Mikaya	Male	Councillor	Shimabala
7	Davyline Mwiinga	Male	Councillor	Malundu
8	Borniface Chileshe	Male	Councillor	Chifwema
9	Edwin S.Shabusale	Male	Councillor	Kafue
10	Emmanual Moonga Miyanda	Male	Councillor	Lukolongo
11	Modester Nyambe	Male	Councillor	Shabusale
12	Comply Siamugala	Male	Councillor	Chisakila
13	Kebby Sikangila	Male	Councillor	Chisankane
14	David Sampa	Male	Councillor	Kasenje
15	Paul Kajije	Male	Councillor	Chitende
16	Kelly Liwanga	Male	Councillor	Mungu
17	Robby Berejena	Male	Councillor	Kambale
18	Micheal Sinkala	Male	Councillor	Matanda
19	Justine Singoyi	Male	Councillor	Kabweza
20	Elizabeth Mullenje	Female	Councillor	H.R.H Sr Chieftainess Nkomesha Mukamambo
21	Christine Eva Maambo	Female	Councillor	H.R.H Sr Chieftainess Chiawa

The District also has one (1) elected Member of Parliament for Kafue constituency. The Member of Parliament that held office during the year was:

S/N	NAME	GENDER	CONSTITUENCY
1	Hon.Mirriam Chonya	Female	Kafue

The affairs of Central Government in the district are coordinated by the District Commissioner. During the year under review Mr Maurice Hikapulwe was the District Commissioner.

### **The Council Secretariat**

The Secretariat of Kafue Town Council is headed by the Council Secretary. The Council Secretary and the rest of the Secretariat are appointed by the Local Government Service Commission.

The Council Secretary is assisted by four (4) Chief Officers responsible for Finance, Planning, Works and Human Resource and Administration 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.

## REPORT OF THE COUNCIL

### Financial Results

	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
Cash Receipts	66,354,056	71,898,829
Payments	84,120,537	67,161,805
<b>Increase in Cash and Cash Equivalents</b>	<b><u>(17,766,481)</u></b>	<b><u>4,737,024</u></b>

### Key Policies Adopted During the Year

There no key policies that were adopted during the year under consideration.

### 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 K19,729,859. The total expenditure of K19,729,859 was incurred on Non Current Assets however expenditure amounting to K11,545,856 was related to Constituency Development Funds projects such as Schools, School Desks, Clinics and Police Station/Posts which were completed and handed over to respective Ministries. The balance of K8,184,003 was expenditure incurred on the Installation of Street Lights, Compactor, Water Bowser, office Furniture and Office Equipment which are in the custodian of the Council.

### Intangible Assets

There were no purchases of intangible assets during the year.

### Employees

The average number of employees at the beginning of the year was 326 and at the end of the year was 317. The total amount spent on employees' remuneration and welfare during the year was K28,861,270.63.

### 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 K1,183,719.71 towards sponsoring various sporting activities.

## REPORT OF THE COUNCIL

### 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

Sign: 

Name: DR. LUVIOSO MARIKABO MATYA

Position: Council Chairperson

Date: 2<sup>nd</sup> OCTOBER, 2025

### STATEMENT OF RESPONSIBILITIES FOR ANNUAL FINANCIAL STATEMENTS

The Kafue Town Council is responsible for preparing the financial statements for the year ended 31<sup>st</sup> December 2024 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 Local Authorities Accounting Policies (LAAPs) of October 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 and his report is shown on pages 8 to 12.

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 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 Kafue Town 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 Town Council for the financial year ended 31<sup>st</sup> December 2024.

Signed on behalf of the Council on 2<sup>ND</sup> OCTOBER, 2025 by:

Name: <u>Dr. Luthais Malikob Malya</u>	Name: <u>BUPE KUTANA</u>
Signature: 	Signature: 
Position: Council Chairperson	Position: Council Secretary
Name: <u>BRENDA MACHILA</u>	
Signature: 	
Position: Council Treasurer	

## INDEPENDENT AUDITOR'S OPINION



REPUBLIC OF ZAMBIA  
OFFICE OF THE AUDITOR GENERAL

### INDEPENDENT AUDITOR'S REPORT

STAND No. 7951  
HAILE SELASSIE AVENUE  
LONGACRES  
P.O BOX 50071  
LUSAKA, ZAMBIA  
  
E-mail: [auditor@ago.gov.zm](mailto:auditor@ago.gov.zm)  
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To the Minister – Ministry of Local Government and Rural Development

### Report on the Audit of Kafue Town Council Financial Statements for the Financial Year Ended 31<sup>st</sup> December 2024

#### Opinion

I have audited the financial statements of Kafue Town Council for the financial year ended 31<sup>st</sup> December, 2024 which comprise Statement of Cash Receipts and Payments, Statement of Comparison of Budget and Actual Amounts, Statement of Cash Receipts and Payments for Local Government Equalization Fund (LGEF), the Statement of Cash Receipts and Payments for Constituency Development Fund (CDF), Statement of Cash Receipts and Payments for Zambia Devolution Support Programme (ZDSP) and Statement of Cash Receipts and Payments for Sector Grant (Devolved Functions) and a summary of significant accounting policies and disclosures and other explanatory information.

In my opinion, the accompanying financial statements of Kafue Town Council present fairly, in all material respects, the Statement of Cash Receipts and Payments, Statement of Comparison of Budget and Actual Amounts, Statement of Cash Receipts and Payments for Local Government Equalization Fund (LGEF), Statement of Cash Receipts and Payments for Constituency Development Fund (CDF), Statement of Cash Receipts and Payments for Zambia Devolution Support Programme (ZDSP) and Statement of Cash Receipts and Payments for Sector

## INDEPENDENT AUDITOR'S OPINION



REPUBLIC OF ZAMBIA  
OFFICE OF THE AUDITOR GENERAL

### INDEPENDENT AUDITOR'S REPORT

Grant (Devolved Functions) for the year ended 31<sup>st</sup> December 2024 in accordance with the Cash Basis International Public Sector Accounting Standard (IPSAS) and the amended Local Authorities Accounting Policies (LAAPs).

#### **Basis for Opinion**

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of Kafue Town Council in accordance with the International Organisation of Supreme Audit Institutions (INTOSAI) Code of Ethics together with the ethical requirements that are relevant to my audit of the financial statements in Zambia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the INTOSAI Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements. Key audit matters are selected from the matters communicated to those charged with governance but are not intended to represent all matters that were discussed with them.

However, I have determined that there are no key audit matters to communicate.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Cash Basis International Public Sector Accounting Standard, the Local Government Act No.2 of 2019, the Public Finance Management Act No.1 of 2018 and Local

## INDEPENDENT AUDITOR'S OPINION



REPUBLIC OF ZAMBIA  
OFFICE OF THE AUDITOR GENERAL

### INDEPENDENT AUDITOR'S REPORT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Kafue Town Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Kafue Town Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, the going concern of Kafue Town Council is dependent on the government policy decision.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

## INDEPENDENT AUDITOR'S OPINION



REPUBLIC OF ZAMBIA  
OFFICE OF THE AUDITOR GENERAL

### INDEPENDENT AUDITOR'S REPORT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Kafue Town Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Kafue Town Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, the going concern of Kafue Town Council is dependent on the government policy decision.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

**INDEPENDENT AUDITOR'S OPINION**

**STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31<sup>ST</sup>  
DECEMBER 2024**

	Note	2024 Kwacha	2023 Kwacha
<b>RECEIPTS</b>			
Local taxes	2	11,784,859	10,227,532
Fees and Charges	3	7,401,320	9,660,148
Licences	4	2,316,775	3,149,826
Levies	5	2,785,989	1,035,255
Permits	6	3,224,487	3,348,590
Local Government Equalisation Fund	7	13,430,772	12,943,067
Constituency Development Fund	8	11,316,161	28,995,876
Other Grants	9	2,973,000	2,453,922
Borrowings	10	-	-
Commercial Venture	11	121,376	15,930
Sector Grant (Devolved Function)	12	10,618,894	
Other Receipts	13	380,421	68,682
<b>TOTAL RECEIPTS</b>		<b>66,354,056</b>	<b>71,898,829</b>
<b>PAYMENTS</b>			
Personnel Emoluments	14	28,861,271	23,004,746
Use of goods and services	15	13,815,612	11,704,922
Financial Charges	16	-	-
Social benefits	17	11,996,540	6,705,880
Non-financial assets acquisition	18	19,729,859	13,917,532
Financial Assets	19	5,516,930	5,269,075
Loan Repayments	20	-	-
Other payments	21	4,200,324	6,559,650
<b>TOTAL PAYMENTS</b>		<b>84,120,537</b>	<b>67,161,805</b>
<b>Increase/(decrease) in Cash</b>		<b>(17,766,481)</b>	<b>4,737,024</b>
Foreign Exchange Losses	22	-	-
Cash at beginning of the year	23	26,118,083	21,381,059
<b>Cash at the end of the year</b>	24	<b>8,351,602</b>	<b>26,118,083</b>

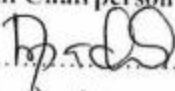
Incorporated in the payments recognised in this Statement are those for Local Government Equalisation and Constituency Development Funds. However, the details of payments under each of these Funds are presented separately in each Fund's own Statement of Cash Receipts and Payments.

Signature..... ..... Signature..... .....

Name: DR. LUVIONZ MAKIKOB MAMBA Name: BUPE KUTANYA

Position : Council Chairperson

Position : Council Secretary

Signature..... .....

Name: BRADEN MAETHILA Position : Director of Finance

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024**

	Original Budget Kwacha	Adjustments Kwacha	Final Budget Kwacha	Actual Amounts Kwacha	% Performance	Variance Kwacha	% Variance
<b>RECEIPTS</b>							
Local Taxes	12,744,716	-	12,744,716	11,784,859	92%	(959,857)	-8%
Fees and Charges	26,009,683	(17,274,800)	8,734,883	7,401,320	85%	(1,333,563)	-15%
Licences	1,961,834	-	1,961,834	2,316,775	118%	354,941	18%
Levies	1,847,143	-	1,847,143	2,785,989	151%	938,846	51%
Permits	3,166,822	-	3,166,822	3,224,487	102%	57,665	2%
Local Government Equalisation Fund	14,727,797	-	14,727,797	13,430,772	91%	(1,297,025)	-9%
Constituency Development Fund	30,635,642	-	30,635,642	11,316,161	37%	(19,319,481)	-63%
Devolved Sector Grants	6,957,005	-	6,957,005	2,973,000	43%	(3,984,005)	-57%
Other Grants	3,870,000	-	3,870,000	-	0%	(3,870,000)	-100%
Borrowings	-	-	-	121,376	0%	121,376	0%
Commercial Venture	-	-	-	10,618,894	0%	10,618,894	0%
Other Receipts	168,000	-	168,000	380,421	226%	212,421	126%
<b>TOTAL RECEIPTS</b>	<b>102,088,642</b>	<b>(17,274,800)</b>	<b>84,813,842</b>	<b>66,354,056</b>	<b>78%</b>	<b>(18,459,787)</b>	<b>-22%</b>
<b>PAYMENTS</b>							
Personal Emoluments	30,126,756	-	30,126,756	28,861,271	96%	1,265,485	4%
Use of Goods and Services	30,813,660	(11,100,000)	19,713,660	13,815,612	70%	5,898,048	30%
Financial Charges	-	-	-	-	0%	-	-
Social Benefits	8,149,081	-	8,149,081	11,996,540	0%	(3,847,459)	-47%
Non-Financial Assets Acquisition	22,565,311	(3,124,800)	19,440,511	19,729,859	101%	(289,348)	-1%
Financial Assets	3,492,463	-	3,492,463	5,516,930	0%	(2,024,467)	-58%
Loan Repayments	-	-	-	-	0%	-	-
Other Payments	6,941,371	(3,050,000)	3,891,371	4,200,324	108%	(308,953)	-8%
<b>TOTAL PAYMENTS</b>	<b>102,088,642</b>	<b>(17,274,800)</b>	<b>84,813,842</b>	<b>84,120,537</b>	<b>99%</b>	<b>693,306</b>	<b>1%</b>

The composition of budget adjustments and explanations of major variances are provided in Note 24

**STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE LOCAL GOVERNMENT  
EQUALISATION FUND (LGEF) FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2024**

		<b>2024</b>	<b>2023</b>
		<b>Kwacha</b>	<b>Kwacha</b>
<b>RECEIPTS</b>			
Funding	7(a)	13,430,772	12,943,067
Non-LGEF (Receipts)		2,911,440	
<b>TOTAL RECEIPTS</b>		<b>16,342,212</b>	<b>12,943,067</b>
<b>PAYMENTS</b>			
<b>Operational Expenditure Payments:</b>	7(b)		
Salaries and Wages		12,050,772	11,299,437
Terminal Benefits		-	-
Utility bills		-	-
Service Provision		-	-
Goods and Services		-	-
Administrative Costs		1,380,000	-
Other Costs(Councillors Allowances)			720,000
<b>Sub-Total</b>		<b>13,430,772</b>	<b>12,019,437</b>
<b>Capital Expenditure Payments:</b>	7(c)		
Infrastructure Development		560,618	157,247
Rehabilitation Works		128,528	408,723
Asset Acquisition		-	-
Other Costs		155	2,955
<b>Sub-Total</b>		<b>689,301</b>	<b>568,925</b>
<b>TOTAL PAYMENTS</b>		<b>14,120,073</b>	<b>12,588,361</b>
<b>Increase/(decrease) in cash</b>		<b>2,222,139</b>	<b>354,706</b>
Cash at beginning of the year		<b>828,202</b>	<b>473,496</b>
Cash at the end of the year		<b>3,050,341</b>	<b>828,202</b>

**STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE CONSTITUENCY  
DEVELOPMENT FUND (CDF) FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2024**

		<b>2024</b>	<b>2023</b>
		<b>Kwacha</b>	<b>Kwacha</b>
<b>RECEIPTS</b>			
Funding	8(a)	10,000,000	28,198,221
Other sources	8(b)	1,316,161	797,655
<b>TOTAL RECEIPTS</b>		<b><u>11,316,161</u></b>	<b><u>28,995,876</u></b>
<b>PAYMENTS</b>			
Administration	8(c)	3,091,952	1,881,613
Community Projects	8(d)	17,682,766	13,264,392
Youth, Women and Community Empowerment	8(e)	7,851,930	7,437,600
Boarding School and Skills Develop	8 (f)	5,977,110	4,536,080
<b>TOTAL PAYMENTS</b>		<b><u>34,603,758</u></b>	<b><u>27,119,685</u></b>
<b>Increase/(decrease) in Cash</b>	-	<b><u>23,287,597</u></b>	<b><u>1,876,191</u></b>
Cash at beginning of the year		<b><u>23,375,313</u></b>	<b><u>21,499,121</u></b>
<b>Cash at the end of the year</b>		<b><u>87,716</u></b>	<b><u>23,375,313</u></b>

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

**STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR ZDSP CAPITAL GRANT  
FOR YEAR ENDED 31<sup>ST</sup> DECEMBER 2024**

	Note	2024	2023
		KWACHIA	KWACHIA
<b>RECEIPTS</b>			
Funding	9(b)	2,694,736	-
Other Receipts		-	-
<b>TOTAL RECEIPTS</b>		<u>2,694,736</u>	<u>-</u>
<b>PAYMENTS</b>			
Goods and Services		-	-
Non-financial Asset acquisition		-	-
Infrastructure development		-	-
Rehabilitation works		-	-
<b>TOTAL PAYMENTS</b>		<u>-</u>	<u>-</u>
Increase/(decrease) in Cash		<u>2,694,736</u>	<u>-</u>
Foreign Exchange Losses		-	-
Cash at beginning of the year		-	-
Cash as at the end of the year		<u>2,694,736</u>	<u>-</u>

Name: DR LUVILOS MALIKO MATA Name: BURE MUTANYA  
Signature: [Signature] Signature: [Signature]  
Position: Mayor Position: Town Clerk

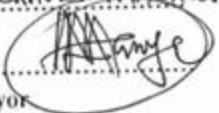

  

Name: BRENDON MACHILA  
Signature: [Signature]  
Position: Director Finance

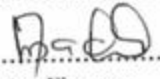
**STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE SECTOR GRANT  
(DEVOLVED FUNCTION) FOR YEAR ENDED 31<sup>ST</sup> DECEMBER 2024**

STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE SECTOR GRANT (DEVOLVED FUNCTION) FOR YEAR ENDED 31 <sup>ST</sup> DECEMBER 2024			
	Note	2024	2023
		KWACHA	KWACHA
<b>RECEIPTS</b>			
Funding	12(a)	10,618,894	-
Other Receipts	12(b)	547,837	-
<b>TOTAL RECEIPTS</b>		<u>11,166,731</u>	<u>-</u>
<b>PAYMENTS</b>			
Goods and Services		5,763,308	-
Non-financial Asset acquisition		-	-
Infrastructure development		-	-
Rehabilitation works		1,110,229	-
<b>TOTAL PAYMENTS</b>		<u>6,873,537</u>	<u>-</u>
Increase/(decrease) in Cash		<u>4,293,194</u>	<u>-</u>
Foreign Exchange Losses		-	-
Cash at beginning of the year		-	-
<b>Cash as at the end of the year</b>		<u>4,293,194</u>	<u>-</u>

Name: <u>DR LUDWIG MALIKO MATYA</u>	Name: <u>RUPE KUTANYA</u>
Signature: 	Signature: 
Position: Mayor	Position: Town Clerk

Name: <u>BRENDA MACHILA</u>
Signature: 
Position: Director Finance

## 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) and 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**

Kafue Town Council is required, under the Local Government Act No. 2 of 2019 to produce 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. However, the Act does not specify which particular accrual basis of accounting to use. 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: 2018/3 – 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 31<sup>st</sup> December, 2022. The Council is preparing to adopt Accrual Basis IPSASs on 1<sup>st</sup> January 2027.

(c) Treasury and Financial Management Circular No. 10 of 2019 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 31<sup>st</sup> December 2022 up to 31<sup>st</sup> December 2025.

- iii. All Local Authorities shall adopt and apply Accrual Basis IPSAS of Accounting starting 1<sup>st</sup> 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 1<sup>st</sup> January 2022 and should end on 31<sup>st</sup> 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 Kafue Town Council (KTC). 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 Equalisation Fund in the district.

## **1.3 Authorisation Date**

The financial statements were authorized for issue ..... by the Ordinary/Special Council.

## **1.4 Revenue**

Revenue is recognised 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 authorises Kafue Town 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;
- 

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- 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.

**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 consists 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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 recognises 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.

### **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 Sector Grants**

These includes grants from Devolved functions of the Central Government to the Sub National Level among them; Primary care services (Ministry of Health), Pontoons, Ferries, Jetties and Piers, Harbours, Community sport, Vehicle Licensing (Ministry of Transport & Logistics), Cultural matters (Ministry of Tourism) District Archives (Ministry of Home Affairs), Veterinary Services (Ministry of Fisheries and Livestock)

### **1.12 Presentation Currency**

The presentation currency is Zambian Kwacha.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **1.13 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.

## **2 Borrowings**

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

## **3 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 materia

## **4 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:

### **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:

- Name of the entity
- Principal activity of the entity
- Percentage of shareholding in the entity
- Receipts in form of dividends and other returns on the investments

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **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.

The key management personnel of the Council are:

- (a) the Mayor/Chairperson, elected councillors, co-opted members of the Audit and Procurement Committees, Chiefs who are part of the Council representing other Chiefs in the district, and
- (b) The Principal Officers and Chief Officers.

Spouses, children and 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.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**v. External Assistance**

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

Kafue Town 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 Kafue Town 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 local tax cash receipts as follows:

<b>Local Tax Type</b>	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
Residential Rates	3,883,905	2,989,187
Industrial / Commercial Rates	7,685,478	7,089,982
Mining Rates	-	-
Personal Levy	215,476	148,363
	-	-
<b>TOTAL</b>	<b><u>11,784,859</u></b>	<b><u>10,227,532</u></b>

The Council relied on the 2017-2021 Valuation Roll to determine the property rates receivable. As at 31<sup>st</sup> December 2024 the updated 2022 Valuation Roll had not yet been approved.

### **3. Fees and Charges**

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

	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
Fees and charges	4,057,727	3,725,465
Land Development Charges	3,343,593	5,934,683
<b>Total</b>	<b><u>7,401,320</u></b>	<b><u>9,660,148</u></b>

#### **a. Fees and charges**

The Council generated the following fees:

<b>Fees and Charges Type</b>	<b>2024 Kwacha</b>	<b>2023 Kwacha</b>
Consent fees	10,000	22,375
Survey fees	129,500	83,000
Building & Other inspection-fees	372,393	140,200
Plans scrutiny fee	325,600	208,700
Change of Premise use		8,000
Rent/lease of Council Properties	117,410	267,233
Application forms fees	91,268	105,220
Sketch Plan		200
Search fees	10,375	21,600
Notice board advert fees	126,150	-
Market fees	181,091	155,612
Bus station fees	102,783	73,644
Affidavit fees		1,175
Hire of hall	24,000	14,200
Body remains(Inspection fees)		1,850
Hire of chairs		350
Hire of grounds/stadia	7,000	13,915
Recommendation fees	3,900	
Refuse disposal fees	315,390	281,556
exhibitions for commercial and non commercial	500	-
Library membership fees	3,202	3,202
Franchise fees	24,000	
Notice of marriage fees	125,650	137,203
Abattoir/meat inspection fees		70
Registration of clubs and societies	64,750	55,910
Toilet fees	42,030	87,690
Farm produce levy	128,197	350,368
Communication mast levy	240,000	285,000
Illegal Parking of vehicles	5,002	-
Land record to Occupancy licence		650
Billboards and banners	279,840	163,108
Lease of council transport & Other council eq	357,800	-
Extract of Council minutes	2,500	
Penalties	78,801	136,110
Ground Rent		547,828
Site rent	237,812	
Change of ownership of plot		234,800
Other Fees and Charges/other income	650,784	324,696
<b>TOTAL</b>	<b>4,057,727</b>	<b>3,725,465</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**b. Land Development Charges**

The Council collected the following land development related charges:

<b>Charges Type</b>	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
Service charges - Residential Plots	2,137,647	5,208,883
Service charges - Industrial plots		702,200
Land Application Charges	5,200	
Change of ownership	201,575	
Land regularisation	999,171	
Other Charges		23,600
<b>TOTAL</b>	<b>3,343,593</b>	<b>5,934,683</b>

**4. Licenses**

A total of K2,316,775 cash receipts was raised from issuance of various licences.

<b>Licence Type</b>	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
Retail licence	282,571	1,644,525
Wholesale licence		29,664
Occupancy licence	633,950	633,625
Hawkers licence		-
Peddlers licence		-
Stall licence		-
Liquor licence	192,022	95,815
Firearm and ammunition licence	34,600	26,700
Petroleum licence	791,250	645,950
Restaurant licence		34,814
Manufacturers Licences		32,500
Dog licence	200	1,300
Other licences	382,182	4,933
<b>TOTAL</b>	<b>2,316,775</b>	<b>3,149,826</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**5. Levies**

The Council generated cash receipts by charging levies as follows:

<b>Type of Levy</b>	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
Livestock Levy	10,617	21,195
Bird Levy		-
Fish Levy	120,382	59,164
Pole Levy		-
Charcoal Levy		-
Sand Levy	452,741	800,615
Quarry levy	252,363	
Trading (Wholesale) Business Levy	92,480	
Retail Merchants consumable business	921,952	
Retail Merchants non-consumable business	173,252	
Trading (Retail) chain stores and superm	32,221	
Manufacturing	134,832	
Micro - finance and money lenders	8,000	
Commercial Banks	24,000	
Hospitality	143,224	
Profession Occupation	404,015	
Car Wash	2,578	
Filling Station	13,333	-
Business Levy		154,281
<b>TOTAL</b>	<b><u>2,785,989</u></b>	<b><u>1,035,255</u></b>

**6. Permits**

The Council generated cash receipts from issuing various permits as follows:

<b>Type of Permit</b>	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
Health Permit	1,691,830	1,746,787
Herbalist Permit		2,000
Transportation of meat products	6,707	
Opaque beer	2,000	-
Fire Certificates	1,355,700	1,464,638
Nursery, Pre School		-
Burial Permits and Grave sites	123,450	107,685
Public permits		4,860
Extension of Business hours	7,950	7,750
Other Permits	36,850	14,870
<b>TOTAL</b>	<b><u>3,224,487</u></b>	<b><u>3,348,590</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**

**7. Local Government Equalization Fund**

**a. Funding**

	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
1st Funding(January)	1,106,796	1,082,623
2nd Funding(February)	1,137,919	1,082,623
3rd Funding(March)	1,108,376	1,042,070
4th Funding(April)	1,128,400	1,084,203
5th Funding(May)	1,139,554	1,090,501
6th Funding(July)	1,095,666	1,079,125
7th Funding(July)	1,099,626	1,086,787
8th Funding(August)	1,128,695	1,091,067
9th Funding(September)	1,128,955	1,091,067
10th Funding(October)	1,133,346	1,086,787
11th Funding(November)	1,130,882	1,042,699
12th Funding(December)	1,092,557	1,083,515
<b>TOTAL</b>	<b><u>13,430,772</u></b>	<b><u>12,943,067</u></b>

**b. Operational Expenditure**

The Council applied amounts totalling **K13,430,772** of LGEF receipts towards meeting operational expenses representing **100%** 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 did not incur any expenditure of LGEF receipts towards meeting capital expenditure for the reporting period.

**8. Constituency Development Fund**

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

**a) CDF Funding**

	<b>2024</b>	<b>2023</b>
<b>Constituency</b>	<b>Kwacha</b>	<b>Kwacha</b>
Kafue	10,000,000	28,198,221
Other	1,316,161	
<b>Total Funding</b>	<b><u>11,316,161</u></b>	<b><u>28,198,221</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**

**(b) Other CDF Sources of Funding**

	<b>2024</b>	<b>2023</b>
<b>Constituency</b>	<b>Kwacha</b>	<b>Kwacha</b>
Bank interest earned	1,067,971	566,321
Loan repayment	248,190	231,334
<b>Total</b>	<b><u>1,316,161</u></b>	<b><u>797,655</u></b>

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

**(c) Administration**

<b>Constituency</b>	<b>Kwacha</b>	<b>Kwacha</b>
Kafue	<u>3,091,952</u>	<u>1,597,251</u>
	<b><u>3,091,952</u></b>	<b><u>1,597,251</u></b>

Administration expenses includes. monitoring projects, Office Equipment and Supplies, Ward Development Committee (WDC) support, Capacity building and Communication

**(d) Community Projects**

	<b>2024</b>	<b>2023</b>
<b>Constituency</b>	<b>Kwacha</b>	<b>Kwacha</b>
Kafue	<u>17,682,766</u>	<u>13,264,392</u>

Infrastructure development works included procurement of assets such as earth moving equipment and school desks, rehabilitation of roads, construction of Bridges, buildings such as schools, Clinics, Market Shelters, police stations and Installation Street Lights.

**NOTES TO THE FINANCIAL STATEMENTS**

(e) Youth, Women and Community Empowerment

	<b>2024</b>	<b>2023</b>
<b>Constituency</b>	<b>Kwacha</b>	<b>Kwacha</b>
Kafue	7,851,930	7,437,600
<b>Total</b>	<b><u>7,851,930</u></b>	<b><u>7,437,600</u></b>

The Youth, Women and Community Empowerment includes grants and loans.

f) Bursaries -Secondary Schools and Skill Development

	<b>2024</b>	<b>2023</b>
<b>Constituency</b>	<b>Kwacha</b>	<b>Kwacha</b>
Kafue	5,977,110	4,536,080
<b>Total Asset Bursaries Payments</b>	<b><u>5,977,110</u></b>	<b><u>4,536,080</u></b>

The costs include boarding school fees and skills development costs.

9. Other grants

During the year, the Council received Grants Amounting to K 2,973,000.00.as Capital Grant from the World Bank under the Devolution Support Program and Grant in Lieu of Rates.

<b>Revenue Source</b>	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
Grants in Lieu of Rates	278,264	765,226
Grants from Cooperating Partners	2,694,736	-
Other	-	1,688,696
<b>TOTAL</b>	<b><u>2,973,000</u></b>	<b><u>2,453,922</u></b>

NOTES TO THE FINANCIAL STATEMENTS

10. Borrowings

During the period under review the Council did not borrow.

#### 11. Council Commercial Venture

The Council made a surplus of K121,376 from the commercial venture during the period under review.

##### (a) Inkanga Lodge

	2024	2023
	Kwacha	Kwacha
<b>Receipts</b>		
Restaurant Sales Receipts	700,873	349,859
Lodging receipts	-	-
Food and beverages sales receipts	-	-
Others	-	361
<b>Total</b>	<u>700,873</u>	<u>350,220</u>
<b>Payments</b>		
Restaurant purchases	549,365	344,020
Beer and beverages	-	-
wages	-	-
Others	46,061	24,270
<b>Total</b>	<u>595,426</u>	<u>368,290</u>
<b>Increase/(Decrease) in Cash</b>	<b>105,447</b>	<b>(18,070)</b>
Cash at the Beginning of the year	15,930	33,999
<b>Surplus/Deficit</b>	<u><b>121,376</b></u>	<u><b>15,930</b></u>

#### 12 (a) Sector Grants (devolved Functions)

The Council received Grants totalling K 10,618,894 in its bank account from Treasury for the Devolved Functions of the Central Government broken down as follows;

<b>Sector Grants (Devolved Functions)</b>	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
Primary Health Care Services	1,661,740	
Pontoons, Ferries, Jetties and Piers	87,973	
Community Sport	215,517	
Cultural Affairs	7,112	
District Archives		
Veterinary Services	60,231	
Vehicle Licensing	1,715,472	
Harbours		
Others	6,870,849	
<b>Total</b>	<u><b>10,618,894</b></u>	<u></u>

## NOTES TO THE FINANCIAL STATEMENTS

#### 12 (b) Other Receipts

	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
Farm Visit	4,843	
Farm Registration	634	
Stock Movement	17,512	
Vessel Registration	89,276	
Hire Of Dredger	435,572	
<b>TOTAL</b>	<u><u>547,837</u></u>	<u><u>-</u></u>

<b>Sector Grants (Devolved Functions)</b>	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
Primary Health Care Services	1,256,097	
Pontoons, Ferries, Jetties and Piers	120,371	
Community Sport	215,717	
Cultural Affairs		
District Archives		
Veterinary Services	25,366	
Vehicle Licensing	1,110,229	
Harbours	0	
Others	4,145,757	
<b>Total</b>	<u><u>6,873,537</u></u>	<u><u>-</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Other Receipts

Other receipt amounting to K380,421.42 Electoral Commission of Zambia (ECZ) activities funding, Community contributions towards maintenance of boreholes, Commission and utilised imprest.

	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
ECZ Activities Funding	216,443	-
Borehore Community Contribution	101,500	-
RTSA Commission	29,229	-
ZRA Commission	25,863	-
Donations	-	5,460
Other Income	4,417	7,722
Retirement of Imprest	2,970	55,500
<b>TOTAL</b>	<b><u>380,421.42</u></b>	<b><u>68,682</u></b>

**13. Personal Emoluments**

Personal Emoluments consist of actual amounts of salaries and wages paid to staff of the Council. The Council had categories of staff that were paid as follow

**NOTES TO THE FINANCIAL STATEMENTS**

**14. Use of Goods and Services**

Use of Good and services consist of expenditure incurred on administrative activities

<b>Expenditure Type</b>	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
Office Running Costs	770,553	557,026
Building, Repair and Maintenance Costs	375,742	411,333
Plant, Machinery and Vehicle Running and Maintenance Cost	1,928,760	875,850
Other Administrative operating costs	231,150	1,191,652
Requisites	142,359	83,183
Services	7,307,134	6,678,436
Travel expenses	1,676,772	1,477,457
Training	1,326,010	428,301
Medical costs		-
Other costs		-
Registration & Subscription		-
Legal Costs	57,131.74	1,683
<b>TOTAL</b>	<b><u>13,815,612</u></b>	<b><u>11,704,922</u></b>

#### 15. Financial Charges

The Council did not pay any financial charges during the year under review.

#### 16. Social Benefits

During the period under review the Council spend K11,996,540 towards Social benefits.

	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
CDF Empowerment Grants	2,335,000	2,169,800
CDF Bursaries -Secondary & Skills	5,977,110	4,536,080
Cash for Work	3,684,430	-
<b>TOTAL</b>	<b><u>11,996,540</u></b>	<b><u>6,705,880</u></b>

### NOTES TO THE FINANCIAL STATEMENTS

#### 17. Non-financial Asset Acquisition

Acquisition of assets involved the following payments:

	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
Construction of various Infrastructure	9,534,476	6,011,263
Installation of Street Lights	821,268	-
Purchase of computer peripherals and Equipments		-
Office Equipments	172,160	87,170
Office Furniture	3,289,945	183,820
Rehabilitation Works	1,653,138	3,037,904
Purchase of Computer software		-
Boreholes, Pumps & Other Water Reticulation Material	28,517	298,108
Other Machinery and Equipments	4,230,356	4,299,266
<b>TOTAL</b>	<b><u>19,729,859</u></b>	<b><u>13,917,532</u></b>

**18. Financial Assets**

The Council did acquire financial assets during the period under review.

	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
Purchase of Long term investments	-	1,275
Empowerment CDF Loans	5,516,930	5,267,800
Other financial asset acquisition	-	-
<b>TOTAL</b>	<b><u>5,516,930</u></b>	<b><u>5,269,075</u></b>

**19. Loan Repayments**

The Council did not make any Loan repayment during the period under review:

**20. Other Payments**

Other payments amounting to **K6,559,650** relate to the following items.

	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
Subriptions	-	-
Legal Costs	-	-
Staff debtors	-	-
Zulawu	-	145,000
Others(Madison Insurance & NHIS)	-	-
Domestic creditors	-	-
Zambia Revenue Authority	60,000	60,000
National Pension Scheme Authority	24,355	2,747
Local Authorities Superannuation Fund	-	-
<b>Staff creditors</b>	-	-
Terminal Benefits	1,041,479	2,002,421
Salary Arrears	-	-
Leave Travel Benefits	231,834	-
Other Accrued Expenses	2,842,656	4,349,482
<b>TOTAL</b>	<b><u>4,200,324</u></b>	<b><u>6,559,650</u></b>

**21. Foreign Exchange Losses**

There was no foreign exchange transaction the year.

**22. Cash Balances**

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

	<b>2024</b>	<b>2023</b>
	<b>Kwacha</b>	<b>Kwacha</b>
Cash on hand	-	-
Demand Deposits	8,351,602	26,118,083
Cash equivalents	-	-
<b>TOTAL</b>	<b><u>8,351,602</u></b>	<b><u>26,118,083</u></b>

**a. Cash on hand**

The Council had no cash on hand at the end of the year.

**NOTES TO THE FINANCIAL STATEMENTS**

**b. Demand Deposits – Bank Balances**

The Council had the following reconciled bank account balances as at the 31<sup>st</sup> December 2024:

<b>Account Name</b>	<b>Account No</b>	<b>2024 Kwacha</b>	<b>2023 Kwacha</b>
District Fund A/c	Zanaco -0023711300190	49,286	332,501
Sale of Houses (Salaries) A/	Zanco -0023964300139	306,988	270,442
Capital Fund A/C	Zanaco -0023712300102	9,146	2,134
Development A/C	Zanaco -0246940300187	-	509
Investment Indo A/C	Indo Zambia -027020000011	1,158	6,993
Investment Zanaco A/C	Zanaco-0604210300164	121,376	15,930
Bus A/c	Zanaco-0023713300111	218,179	989,836
Land agency	Indo Zambia -027020000015	350	350
CDF Main	Zanaco-0250618300115	25,827	22,112,174
CDF Revolving Fund	Indo-0270200000026	61,889	1,263,139
Kafue Fire	Zanaco-0023711300493	79,930	190,119
Chiefs Affairs A/C	Zanaco-1708394500133	-	-
NRWSS	Zanaco-001037783300108	3,827	46,791
NRWSS Community	Zanaco-001711767300166	79,483	39,389
Community Radio Station	Zanaco-005772776500195	4,420	12,167
Capital Indo	Indo-0272020000012	3,050,341	828,202.48
Grant Sector	Indo-	4,293,194	-
KFW Basket	Zanaco-5338919300255	7,403	7,406
Electroal Commision of Zan	Zanaco-0611272300187	41,283	
<b>TOTAL</b>		<b><u>8,351,602</u></b>	<b><u>26,118,083</u></b>

### **23. Budget Adjustments and Variances**

#### **a. Budget Adjustments**

The original budget was approved on 2<sup>nd</sup> March, 2024 by the Minister responsible for Local Government and Rural Development. Subsequent approved adjustments to the budget consisted of approved reduction of K17,274,800 and the approved budget reallocations are as follows;

	Original Budget Kwacha	Adjustments Kwacha	Final Budget Kwacha
<b>RECEIPTS</b>			
Local taxes	12,744,716	-	12,744,716
Fees and Charges	26,009,683	(17,274,800)	8,734,883
Licences	1,961,834	-	1,961,834
Levies	1,847,143	-	1,847,143
Permits	3,166,822	-	3,166,822
Local Government Equalisation Fund	14,727,797	-	14,727,797
Constituency Development Fund	30,635,642	-	30,635,642
Sector Grants (Delvoved Function)	6,957,005	-	6,957,005
Other Grants	3,870,000	-	3,870,000
Borrowings	-	-	-
Commercial Venture	-	-	-
Other Receipts	168,000	-	168,000
<b>TOTAL RECEIPTS</b>	<b>102,088,642</b>	<b>(17,274,800)</b>	<b>84,813,842</b>
<b>PAYMENTS</b>			
Personal Emoluments	30,126,756	-	30,126,756
Use of Goods and Services	30,813,660	(11,100,000)	19,713,660
Financial Charges	-	-	-
Social Benefits	8,149,081	-	8,149,081
Non-Financial Assets Acquisition	22,565,311	(3,124,800)	19,440,511
Financial Assets	3,492,463	-	3,492,463
Loan Repayments	-	-	-
Other Payments	6,941,371	(3,050,000)	3,891,371
<b>TOTAL PAYMENTS</b>	<b>102,088,642</b>	<b>(17,274,800)</b>	<b>84,813,842</b>

- **Constituency Development Fund**

The Council planned to receive K30,635,642 from Constituency Development Fund but only received K10,000,000 resulting in a negative variance of K20,635,642 representing 67%.

- **Other Receipts**

The Council planned to collect K168,000 from other receipts but collected K 1,696,582 resulting in a favourable variance of K 1,528,582 representing 910%. The variance is mainly attributed to the interest earned from the Constituency Development Fund accounts and funding for Voter registration under the Electoral Commission of Zambia.

## NOTES TO THE FINANCIAL STATEMENTS

- **Levies**  
The Council planned to collect K1,847,143 from levies but collected K2,785,989 resulting in a favourable variance of K938,846 representing 51%. The variance was as a result of intensified enforcement by the Revenue Task Force.
- **Other Grants**  
The Council planned to collect K3,870,000 from other Grants but received K 2,973,000 resulting in a negative variance of K 897,000 representing 23%.
- **Sector Grant**  
The Council planned to receive K6,957,005 from Sector Grants but did receive K 10,618,894 resulting into a favourable variance of K 3,661,889 representing 53%.
- **Use of Goods and Services**  
The Council planned to spend K19,713,660 on Use of Goods and Services but spent K13,870,074 resulting in a favourable variance of K5,843,586 representing 30%. This variance was attributed to the fact that the expenditure was limited to the funds available owing to the challenges highlighted in revenue above.
- **Financial Assets**  
The Council planned to spend K3,492,463 on Financial Assets but spent K5,516,930 resulting in a negative variance of K 2,024,467 representing 58%. This variance was attributed to the Loan disbursement from the Loan repayment.
- **Social Benefits**  
The Council planned to spend K8,149,081 on Social benefits but spent K11,996,540 resulting in a negative variance of K3,847,459 representing 47%. This variance was attributed to the expenditure which was incurred on cash for work which was not budgeted for in the year 2024

## 24. Provision of Services

The Town Council incurs expenditure to offering services it is mandated to provide to the residents of the district.

Type of Services	2024 Kwacha	2023 Kwacha
Consultancy, Studies, Fees, Technical Assist		
Short Term	-	-
Printing		10,024
Official Entertainment	504,475	220,662
Advertisement and Publicity	30,281	-
Public Functions and Ceremonies	319,506	303,478
Boards, Councils and Committees expenses	212,924	140,837
Relief, Repatriation and Burial of Destitute	12,829	4,910
Community Welfare and Recreation	1,183,720	1,435,511
Land Demarcation and Survey	22,885	64,359
Valuation of properties	281,477	657,270
Labour Day Expenses and Awards	42,960	29,782
Cycle maintenance-Regravelling ,Resealing and General Road Mainte		781,386
Conferences, Seminars and Workshops		82,950
Waste and Refuse Collection	401,446	543,569
Provision of fire services	348,951	90,256
Creation of Dump sites		-
Market Facility		269,280
Establishment and Maintenance of Street Lights :	63,488	15,324
Ward Development Fund	124,858	-
Bank Charges	271,721	150,366
Other Services	3,190,715	8,584,252
	<b>7,012,237</b>	<b>13,384,216</b>

Note: The above amounts have been included in the various payments recognized in the Statement of Cash Receipts and Payments.

## 25. Property, Plant and Equipment

The Council had property, plant and Equipment valued at **K33,952,346**.

	Land and Buildings Kwacha	Plant & Machinery Kwacha	Motor vehicles Kwacha	Office Fixtures & Equipment Fittings Kwacha	Intangible Assets Kwacha	TOTAL Kwacha
Opening balance	8,210,430	8,146,651	6,657,721	2,097,414	57,147	25,768,342
Additions	11,187,614	4,230,356	-	172,160	-	19,729,859
Revaluation	-	-	-	-	-	-
Re-classification	-	-	-	-	-	-
Disposal	( 8,293,878)	-	-	- ( 3,251,978)	-	( 11,545,856)
<b>Closing balance</b>	<b>11,104,166</b>	<b>12,377,007</b>	<b>6,657,721</b>	<b>2,269,574</b>	<b>57,147</b>	<b>33,952,346</b>

## NOTES TO THE FINANCIAL STATEMENTS

**26. Investments in Other Entities**

The Council did not hold shares in any other entities.

**27. Administered Transactions**

The Council did not administer any transactions on behalf other entities.

**28. Related Party Disclosures**

The following disclosures are made in the financial statements of Kafue Town Council:

**a. Fringe benefits Disclosures**

The Council Chairperson was provided with an office and personal secretary.

**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 Kafue Town Council are:

Aggregate Remuneration	K1440,000
Number of persons	20

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	K1,602,112
Number of persons	11

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

**External Assistance**

**29.**

The Council did not receive any amounts from External Assistant during the period under review.

**30. Third Party Payments**

Kafue Town Council did not receive any money from third parties.